A report on the widening gap between the needs of cities and their ability to respond.

Urban America 1984 A Report Card

The National Urban Policy Advisory Committee to the Subcommittee on Investment, Jobs, and Prices of the Joint Economic Committee of the Congress.

J842-48

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The Advisory Committee wishes to pay tribute to Congressman Parren J. Mitchell, Chairman of the Subcommittee on Investment, Jobs, and Prices of the Joint Economic Committee, who conceived the need for a reexamination of the status of America's cities and of Federal policies affecting them.

The Advisory Committee, Congressman Parren J. Mitchell, and Dean Marshall Kaplan wish to thank the following companies for their contributions to the cost of this study.

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URBAN AMERICA 1984 -- A TROUBLESOME REPORT CARD

PREFACE-- A Tale of Two Visions.

The current urban policy debate is a tale of two visions. The Administration's is set forth in the National Urban Policy Reports of 1982 and 1984. It is a vision of market-determined development, abetted at the federal level primarily by policies conducive to economic growth and non-interference in local affairs.

The urban policy of the Administration is not an urban policy in the conventional sense. It is, instead, a strategy for cities that relies primarily on the impact of economic policy as a whole. It is a strategy with four elements:

(a) an economic recovery program,

(b) decentralization of Federal responsibilities

(c) reduced federal assistance to cities, and

(d) public/private sector cooperation

No major part of the Administration's so-called urban policy targets cities specifically and directly. The Administration has taken the view that what is good for the economy is good for cities. Measures which grant cities special federal attention and support have no place in the philosophy of the Administration's urban policy. Indeed they have, with limited exceptions, been actively opposed by the Administration.

The alternative vision may be termed a policy of "partnership and leveraged development". It shares a common point of departure with that of the Administration. It is in full agreement over the relationship between strong national economic performance and the health of America's cities. Without policies that foster economic growth, urban policy is reduced to redistributive and welfare approaches. Neither can sustain the economic or fiscal vitality of cities or permanently alleviate their most important problems, i.e., unemployment, economic distress and decaying infrastructure. On this point there is no argument.

The alternative vision takes issue with the Administration's view on the question, not of broad national development, but of the appropriate role of the Federal government in fostering the economic and social vitality of America's cities. It argues that cities need the benefit of direct federal involvement in the provision of a range of public goods and in the stimulation of extensive public/private sector partnerships. This alternative vision allows for strategic federal investments in cities re. infrastructure, education and training of the unemployed and underemployed, housing and transportation. It also accommodates assistance, in strategic instances, for commercial and industrial development.

Perhaps, most important, the alternative vision acknowledges the need for federal assistance to aid cities ameliorate the hardship experienced by the poor or near-poor. Indeed, investment in human and physical capital, if structured appropriately, constitute a development strategy that, when combined with appropriate macro policies to foster sustained economic growth, will extend national economic progress to all cities and help them provide a satisfactory standard of living for most of their residents. Succinctly, investment in human and physical capital will permit cities to adapt to economic and social change, and to become full partners in efforts to achieve a balanced healthy economy.

The Administration argues, and believes, that its policies are working, both as economic policy and as a strategy for cities. The first claim lies outside the range of this analysis. But the second claim is not. If cities are sharing fully in the recovery, then the premises of the Administration's national urban policy would be vindicated. Conversely, if cities are not sharing equally in the recovery, or, if many urban areas, irrespective of statistics concerning national recovery, continue to reflect deep-seated economic, social and environmental problems, then alternative approaches should command public and congressional attention.

The United States is currently enjoying a period of modest economic growth. The present expansion, now two years old, is at least average for postwar recoveries from a recession. Employment and production have surpassed previous peaks. The dollar is strong, and jobs are being created at high rates in certain industries, including the service sector. New technologies are spawning new firms, productivity growth has recovered, and there is a widespread feeling of optimism about the future.

However, studies undertaken by the National Urban Policy Advisory Committee[1] found that for many urban areas and their residents, particularly their minority and less affluent residents, the recovery has stimulated very few, if any, improvements. Fiscal problems limit the quality and quantity of needed services; jobs are scarce; neighborhoods and housing choices remain limited; poverty is increasing.

* Basic changes in population and employment patterns are diminishing the cities' job creation role. Un and underemployment remain severe problems in many cities.

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1 The Committee contains a broadly representative group of public and private sector leaders. It was established by Congressman Parren J. Mitchell and Dean Marshall Kaplan to advise the Sub-Committee on Investment, Jobs, and Prices of the Joint Economic Committee of the Congress.

* The number of poorer Urban Americans living below the poverty level is actually increasing, despite the Nation's overall prosperity.

* The level and quality of essential services -- schools, police and fire protection, health and sanitation -- is declining in some urban areas.

* The basic systems of modern life -- roads, water delivery, sewage and mass transit -- are in trouble. Pot holes, broken water mains, and congestion frequently symbolize the problems faced by cities in responding to their aging "infrastructure".

This report, prepared by the National Urban Policy Advisory Committee, surveys the health of America's major urban centers--the 56 cities with populations of over 250,000--and analyzes how they have fared over the past fifteen years. It identifies the major economic and social problems cities must confront. It concludes by taking the currently unfashionable view that real problems have to be faced, not avoided, and that positive action, not merely a belief in the "invisible hand", will be necessary to preserve our urban centers. Our cities deserve a more comprehensive and balanced effort from our national government. Different areas demand different policies.

This report-card on America's cities, particularly the larger ones, will be followed in subsequent weeks, by an analysis of precise urban policy options and by publications of detailed staff background papers. The Advisory Committee hopes that the dialogue concerning urban America and its future stimulated by its work and the work of others will be an informed one. Hopefully, it will lead to a re-affirmation by the Congress and by the nation of their long-standing commitments to help cities help themselves and their residents secure a decent quality of life.

SECTION I -- Measuring Overall Need Among Cities

The methodology used in this study is designed to identify major trends and characteristics of urban centers since 1970.

This was accomplished by focusing on three essential components that determine the vitality of urban life:

1. The economic well-being of a city's residents.

2. The economic well-being of a city's public institutions

3. The growth or decline of the city's population and economy.

By analyzing these three components over a period of time, one can determine:

* Whether a city is thriving or deteriorating;

* Which cities are successfully adjusting to changing economic conditions and which are suffering; and

* What factors contributed to success and what factors to failure?

A key element of this approach is a focus on "resident need"--a measure of the overall economic opportunities for urban dwellers.

"Resident need" is an index based on the following economic indicators:

1. Percent of city population with incomes below the poverty level in 1979. (Index weight: 40%)

2. Net change in real per capita income between 1969 and 1979. (Index weight: 20%)

3. Percent growth in real per capita income between 1969 and 1979. (Index weight: 20%)

4. Unemployment rate in 1980. (Index weight: 20%)

The same values were calculated for 1970 to measure trends in need over time.

Cities whose index of resident need scored above the national average were considered to have "high need". Cities whose need index fell below 60 percent of the national average were termed "low need," and cities with in-between scores were characterized as "moderate need" cities (Table 1 - 1).

Table 1-1
Big Cities with the Highest and Lowest
Levels of Resident Need: 1970 and 1980

	10 Highest Need		10 Lowest Need	
Rank	1970	1980	1970	1980
1	Newark	Newark	Honolulu	Tulsa
2	New Orleans	Detroit	Nashville	San Jose
3	El Paso	Atlanta	Indianapolis	Wichita
4	St. Louis	Cleveland	Virginia Beach	Houston
5	Birmingham	Baltimore	St. Paul	Virginia Beach
6	Sacramento	Buffalo	Omaha	Seattle
7	Miami	Philadelphia	Dallas	Honolulu
8	San Antonio	New York	Minneapolis	Austin
9	Oakland	Chicago	Toledo	Charlotte
10	Cleveland	St.Louis	Austin	Denver

Source: Center for Public-Private Sector Cooperation.

By and large, high need cities reflected significant population loss, while low need cities illustrated visible population gains (Table 1-2). There were exceptions[2], however, that suggest the need to match an understanding of general demographic trends with an understanding of specific city economic and social characteristics prior to national policy definition.

Table 1-2
Big Cities by Type:

Resident Need 1980	Population Change, 1970-1980: Decline -10% or More	Stable	Growth +10% or More
High	Atlanta Baltimore Boston Buffalo Chicago Cincinnati Cleveland Detroit Louisville New York Newark Norfolk Philadelphia St. Louis	Birmingham Miami New Orleans Oakland	El Paso
Moderate	Kansas City (MO) Milwaukee Pittsburgh Washington, D.C.	Columbus Indianapolis Jacksonville Long Beach Los Angeles Memphis Sacramento San Francisco Toledo	San Antonio San Diego Tucson

2 Cities with declining populations like Minneapolis and St. Paul demonstrate enormous economic vitality. Cities like El Paso, with expanding population face considerable economic burdens. But the exceptions do not appear to deny the validity of the general rule: needy cities and population loss seem to go together.

Table 1-2, Big Cities by Type, continued.

Low	Minneapolis St. Paul	Dallas Denver Nashville Oklahoma City Omaha Portland Tulsa Wichita	Albuquerque Austin Charlotte Honolulu Houston San Jose Virginia Beacch

Source: Center for Public-Private Sector Cooperation

Cities Over Time

Over the past 15 years, the character of America's major cities has changed considerably.

Each city has a set of unique factors that have contributed to its success or distress. But some general observations can be

1. Cities that experienced significant population decline reflect the greatest overall need.

2. Cities with rapidly declining populations illustrate increased economic and social problems.

3. The number of cities with declining populations (1970-1980) increased from six to twenty; the number characterized as having "high resident need", when compared to national need indices, jumped from two to nineteen.[3]

4. During the period from 1970 to 1980, cities in the North suffered disproportionate rates of population decline and reflected higher rankings re. need. While cities in the Sunbelt tended to prosper, even in this growing region, some central cities reflected slower rates of growth and/or a relatively stable population base. As relevant, some central cities begin to mirror increased economic and social difficulties.

Overall, four out of every ten cities suffered major increases in resident need during the 1970s. The pattern has continued through the 1980s.

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[3] In addition to more large central cities reflecting high need in 1980 than in 1970, when compared to national indexes, many large central cities also appear to reflect higher incidence of poverty, employment, and housing problems in the early eighties than in 1970 (refer to the following sections).

SECTION II: Cities and Their Regions:

Each region has different economic and demographic characteristics. They have played a large role in determining the health of this nation's major urban centers over the past 15 years. Put another way, cities often illustrate the general demographic and/or economic trends of their respective regions.

Although a shift in population from the Frostbelt to the Sunbelt has been underway for sometime, the pace of the shift accelerated in the 1970s.Between 1970 and 1982, over 90 percent of the net national population increase occurred in the South and West. The Northeast and North Central regions' combined share of national population growth, in the period from 1980-1982, was only 6 percent.

The population boom experienced by the South and West was caused not only by migration from other parts of the country, but by the demographic differences between the regions. The median age of the population of the South and the West was lower than that of the North. Further, the birth rates were higher and the mortality rates lower.

Even without the effects of migration, the net natural increase in population in the South and West would have outstripped the other regions of the country.

Paralleling population changes were major changes in the number of regional job opportunities and the types of jobs in each region. Plant openings and expansions fueled the economies of the South and the West. Both regions appeared to offer economic advantages over northern states--lower transportation costs, lower production costs, cheaper land and more flexible attitudes toward business development, etc.

While the Northern regions remained relatively more dependent on traditional manufacturing industries then other regions, the Sunbelt became the locus of many of this nation's high growth industries. (Table 2-1).

During recent recessionary periods, the North lost a much higher proportion of manufacturing jobs, than other regions. During periods of economic recovery, the South and West claimed the largest share of new jobs. (Table 2-2).

Table 2-1
Population and Employment by
Major Census Region, 1982
(numbers in thousands)

Region	POPULATION Number	EMPLOYMENT Total Jobs Percent of Total	Number	Percent of US Total	Manufacturing Job Number	Percent of US Total	Regi Jc
Northeast	49,456	21	21,397	22	4,696	25	22
North central	58,927	25	25,373	26	5,331	28	21
South	78,136	34	33,036	33	5,795	31	1F
West	45,015	19	19,138	19	2,954	16	1E

NOTES: 1. Based on Employment and Farming data which cover non-agricultural employees on the March payroll. Government workers are included.

SOURCE: US Bureau of the Census, Current Population Reports, series P-20, No.336, "Population Profile of the United States: 1982," 1983. Tabl 4; and US Bureau of Labor Statistics, Employment and Earnings; month issues.

Table 2-2
Regional Shares of Growth in Manufacturing Employment, 1960 to 1982
(Numbers in thousands)

Region	Change in Manufacturing Employment 1960-70	1970-75	1975-80	1980-82
United States [2]	2,939	-1,467	2,284	-1,705
Northeast	155	-936	342	-486
North central	814	-580	265	-748
South	1,472	24	972	-324
West[2]	1,472	25	705	-146
	Percent of Total Change			
United States	100	100(loss)	100	100(loss)
Northeast	5	62	15	29
North central	28	40	12	43
South	50	-2	42	19
West	17	-2	31	9

NOTES: 1. March payroll employees
2. Excludes Alaska and Hawaii

SOURCE: US Bureau of Labor Statistics, Employment and Earnings, monthly issue

While populations shifted dramatically from region to region over the past 15 years, the population patterns within each region shifted as well.

Nonmetropolitan areas increased in both population and employment faster than most urban centers. Smaller metropolitan centers (under 100,000) and suburban areas generally outperformed bigger cities. By 1980 intra-regional growth patterns left central cities in all regions of the country with well under one third of their metropolitan area's population (2-3)

Generally, central cities in each region of the country paralleled their region's broad economic and demographic trends. Many large central cities in older regions faced severe economic and social problems. On balance, while there were some noticeable exceptions, areas in newer or growing regions were relatively better off.

Table 2-3
Population in Central Cities, Suburbs and Nonmetropolitan Areas
By Race, Spanish Origin and Region, 1980
(Numbers in Thousands)

Race and Place	Region							
	Northeast		North Central		South		West	
	Number	%	Number	%	Number	%	Number	%
White								
Central cities	11,023	26	11,591	22	14,044	24	10,666	30
Suburbs[1]	24,219	57	24,023	46	25,176	42	17,937	51
Nonmetro areas	7,236	17	16,669	32	19,881	34	6,571	19
Black								
Central cities	3,622	75	4,130	78	6,186	44	1,357	60
Suburbs	1,137	23	973	18	3,222	23	838	37
Nonmetro areas	911	2	230	4	4,630	33	66	3
Spanish Origin								
Central cities	1,956	76	725	57	2,238	50	2,424	39
Suburbs	586	22	378	30	1,442	32	3,039	48
Nonmetro areas	65	2	163	13	788	18	794	13

NOTES: 1. Non-central city portion of SMSA's defined in 1980
2. Outside SMSA's

SOURCE: US Bureau of the Census, 1980 Census of Population, Vol. 1, Chapter C, Part 1 (1983). Table 193.

SECTION III: Jobs and Urban Change

Cities traditionally function as regional employment centers. The ability of a city to nurture additional employment opportunities has served as a valid measure of its health.

But as the relationship between cities and neighboring regions has changed, the cities' role as a primary employment center has been transformed as well.

Job Supply

Major urban centers continue to control a major share of all jobs, but their dominance has been eroded. From 1970 to 1981, the proportion of jobs located in largest urban centers declined from 41 to 37 percent.

* Cities reporting significant population increases also experienced sizeable increases in employment. Job creation rates were highest in cities having the lowest resident need. They outperformed the national average.

* Cities with declining populations realized much smaller employment gains. Employment in declining high need urban population centers dropped by 6 percent.

* Forty percent of all central city jobs were held by suburban residents. Suburban residents held 8.5 million more jobs in central cities than central city residents held in suburban areas.

The relationship between cities and their suburbs is not totally one-sided. Many of the new jobs created in central cities require skills not possessed by central city job-seekers. But new firms requiring an educated work force may still benefit a city. They draw resources to the city, pay taxes, and can encourage growth of allied economic activities which offer entry-level positions needed by many urban residents.

Types of Jobs

In general, cities have participated in the nation's long-run shift from an employment base founded on the production of goods to an employment base founded on the performance of services. But the transformation is slower and, for some cities, very difficult. (Table 3-1).

Table 3-1
Percent Change in Employment[1] in Cities Having Populations Exceeding 250,000,[2] by Industry and Census Region, 1970-81

	Census Region			
	Northeast	North Central	South	West
Population in Central City as a Percent of Central County, 1980	82.0%	59.0%	60.0%	50.0%
Industry				
TOTAL[3]	-10.1%	6.5%	39.1%	41.0%
Government				
Federal	- 9.0	-6.7	7.7	-17.1
Local (1970-77)	- 8.9	3.1	15.1	13.6
Construction	- 6.8	0.7	43.0	45.1
Manufacturing	-34.1	-16.9	13.4	22.3
Transportation & Public Utilities	-25.9	-4.5	30.7	29.1
Trade	-19.0	7.5	37.7	38.5
Finance, Insurance & Real Estate	4.3	31.4	46.9	60.5
Services	25.0	48.6	74.0	77.0

NOTES: 1. Wage and salary workers only, on the mid-March payroll.

2. As of 1980.

3. Includes employees in agriculture, forestry and fisheries, and in mining. Excludes employees in local and state government.

SOURCE: Staff calculations based on Bureau of the Census, Department of Commerce, County Business Patterns, 1970 and 1981.

Compared with suburban and non-metropolitan areas, manufacturing continues to play a disproportionate role in the major cities. But in cities experiencing high resident need and declining populations, over one-fourth of all manufacturing jobs were lost since 1970 (Table 3-2).

The impact of high technology industries on urban areas has been mixed. In some of the largest cities, a new economic base, premised in part on technology, appears to be emerging. It is founded on the development of high tech information-processing activities as well as related service functions. But the bulk of new or expanding companies appear to prefer suburban locations.

Table 3-2
Change in Employment by Industry Group, [1]
in Cities by Type, 1970 to 1981
(Numbers in Thousands, Except Percentages)

Types of City	Goods Production			Distribution			Service-Performance		
	1970	1981	Percent Change 1970-'81	1970	1981	Percent Change 1970-81	1970	1981	Perc Chan 1970-8
Relatively High Resident Need									
Declining Population	3,904	2,905	-26%	3,619	3,170	-12%	3,269	4,097	25
Stable Population	339	376	11	476	601	26	360	549	52
Moderate Resident Need									
Declining Population	561	478	-15	538	507	-6	505	704	3
Stable Population	1,539	1,652	7	1,489	1,826	23	1,230	1,955	59
Relatively Low Resident Need									
Stable Population	829	1,028	24	899	1,302	45	681	1,171	72
Growing Population	588	988	68	616	1,136	84	478	1,041	11

NOTES: 1. Goods production includes construction and manufacturing. Distribution includes trade, and transportation and public utilities. Service performing industries include FIRE (i.e., Finance, Insurance and Real Estate), and "Services" per se.

SOURCE: Sstaff's calculations based on Bureau of the Census, U.S. Department of Commerce, County Business Patterns, 1970 and 1981.

Job Dislocation

The movement from an industrial to a service economy has caused worker dislocation. In many of the nation's largest cities, particularly those having high resident need, many older industries,some of which have been the prime sources of entry-level, blue collar jobs, have gradually disappeared. In their place are emerging new service-oriented employment opportunities. On average, new jobs seem to be concentrated in relatively low-paying positions.Average resident earnings in many of these cities will likely decline (Table 3-3).

Table 3-3
Median Earnings of Full-Time Workers
in Major Industry Groups, by Gender, 1982

Industry	Percent of All Workers Who are Full-time Year-Round[1]		Median Earnings (1,000's of Dollars)	
	Male	Female	Male	Female
Construction	45%	40%	21.7	14.9
Manufacturing	68	55	24.8	14.2
Durable Goods	67	61	25.1	15.0
Nondurable Goods	70	50	24.3	13.5
Transportation & Public Utilities	72	64	25.1	18.1
Trade				
Wholesale	74	58	25.5	14.9
Retail	49	30	17.1	11.0
Finance, Insurance & Real Estate	74	66	28.7	14.5
Services[2]	64	42	22.4	13.9

NOTES: 1. Based on civilian workers 15 years old and over, classified by industry of longest job in 1982

2. Includes business and repair, personal, entertainment, and professional services, plus public administration. Income

figures for "services" averages of these groups' medians.

SOURCE: Bureau of the Census, U.S. Department of Commerce, Current Population Reports, Series P-60, No. 142, Money Income of Households, Families and Persons in the United States: 1982, 1984. Table 53.

Unemployment and Entry Level Jobs

In high need cities, recovery from the recession has been uneven. Unemployment rates remain inordinately high, especially among young, single persons and minorities. (Table 3-4)

Black teenage employment, for example, approached 50 percent in 1982.

At the same time, particularly in high need cities, the availability of traditional "entry-level" jobs has declined. The rate of long-term unemployment during the recent recession was higher than at any time since the Great Depression.

Table 3-4
Unemployment Rate by Race[a] and Gender, Selected Central Cities, 1982

Cities by Resident Need, 1980	Number (1,000's) Unemployed		UNEMPLOYMENT RATE (Annual Average)			
			White		Black	
	White	Black	Men	Women	Men	Women
HIGH NEED						
Baltimore	16	38	11.1	13.2	26.8	14.1
Chicago	96	131	11.9	11.7	29.1	24.5
Cleveland	13	18	9.3	8.2	24.5[c]	[d]
New York	178	107	8.1	16.0	16.0	11.3
Philadelphia	50	47	12.4	8.4	25.2	16.8
St. Louis	11	17	9.9	[d]	21.6[c]	[d]
MODERATE NEED						
District of Columbia	4	29	3.7	4.3	15.9	11.7
Milwaukee	31	13[b]	15.0	9.2	[d]	[d]
LOW NEED						
Dallas	14	14	3.4	3.9	10.7	12.0
Houston	41	32	6.3	6.4	12.7	10.6
UNITED STATES	8,241	2,142	8.8	8.3	20.1	17.6

NOTES: a. Hispanic data have generally been suppressed due to insufficient sample size. In New York City and the nation at large, the Hispanic unemployment rate was about 14 percent in 1982

b. Non-white

c. Men and women combined.

d. Insufficient sample size.

SOURCE: Bureau of Labor Statistics, U.S. Department of Labor, Geographic Profile of Employment and Unemployment, 1982, Bulletin 2170, May 1983. Table 23.

City Jobs and Economic Cycles

Many cities were apparently less responsive to national economic cycles than were their suburbs during the 1970s. In part, this is because of the loss during the early seventies of cyclically sensitive firms to suburban areas, and in part because then available government transfer payments had a counter-cyclical effect. Put another way, cities appeared to respond less dramatically to economic downturns because they were already down and because they could fall back on income flows generated by now absent federal assistance.[4]

Many large city economies suffered significantly during the recessions of the seventies and eighties. Further, rapid economic cycles generally worsened their economic position vis-a-vis their suburbs. For example,

* Cities lost a larger absolute amount of personal income than suburbs between the peak and trough of recent business cycles.

* Increases in income between successive cyclical peaks often have not been sufficient to offset recessionary declines in high need cities.

Clearly, "rising tides" have not helped all cities equally or lessened the differences between cities and suburbs. In many high need cities black men and women experienced net increases in unemployment during recent economic cycles. As relevant, during the recovery of the late seventies, unemployment rates increased for all segments of the population in needy cities like Philadelphia and Boston. Finally, during the deep recession of the early eighties, joblessness in the urban work-force was significantly higher than recorded for the nation as a whole (Refer to Figures in Appendix).

SECTION IV: Poverty, Race and Ethnicity in Cities

Despite the current economic recovery, poverty is on the rise in every region of the country. Between 1980 and 1982, more people entered poverty than in the preceeding decade. In 1982, nearly 35 million persons had incomes below the poverty level. Almost one-third of all poor people lived in central cities. And, as noted earlier, the largest increase in the numbers of poor people occurred in central cities of large metropolitan areas. Between 1970 and 1982, the poverty rate rose from 14.2 to 19.9% in large central cities.

Poverty is not simply an urban problelm. While one out of five urban residents fell below the poverty level, one out of six nonmetropolitan citizens experienced similar deprivation. Nearly 9.3% of all suburban residents were poor (Table 4-1).

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4 From a working paper by Dr. Donald Manson on the impact of business cycles on cities (The Urban Institute, Washington, D.C. 1983).

Table 4-1
Persons Below the Poverty Level[1] by
Race and Place of Residence, 1970 to 1982

Persons in Poverty
(Numbers in Thousands)

	1982		1980		1970	
ALL RACES	Number	Rate	Number	Rate	Number	Rate
Total	34,398	15.0	29,272	13.0	25,420	12.6
Metropolitan Areas[2]	21,247	13.7	18,021	11.9	13,317	10.2
Inside Central Cities	12,696	19.9	10,644	17.2	8,118	14.2
Suburban Ring	8,551	9.3	7,377	8.2	5,199	7.1
Nonmetropolitan areas	13,152	17.8	11,251	15.4	12,103	16.9
White						
Total	23,517	12.0	19,699	10.2	17,484	9.9
Metropolitan Area[2]	13,563	10.4	11,205	8.8	9,024	8.0
Inside Central Cities	6,757	14,5	5,449	12.1	4,775	10.8
Suburban Ring	6,806	8.1	5,755	7.0	4,249	6.1
Nonmetropolitan areas	9,955	15.1	8,494	12.9	8,460	13.2
Black						
Total	9,697	35.6	8,579	32.5	7,458	33.1
Metropolitan Areas[2]	6,897	33.5	6,172	30.1	4,061	25.8
Inside Central Cities	5,438	36.8	4,831	32.3	3,176	26.0
Suburban Ring	1,460	25.0	1,341	24.3	885	24.9
Nonmetropolitan Areas	2,799	42.3	2,406	40.6	3,397	50.3

NOTES: 1. The poverty level is based on the Dept. of Agriculture's economy food plan of 1961, as adopted by the Social Security Administration in 1964, and revised in 1969 and 1981. It adjusts for differences in size and composition of families and age of householders, but not of geographic living cost differences.

2. Metropolitan areas are SMSA's as defined in 1970.

SOURCE: U.S. Bureau of the Census Current Population Reports, Series P-60; No. 144; Characteristics of the Population Below Poverty Level: 1982, 1984, Table 4.

Urban poverty is distinctive. According to recent Bureau of Census numbers, about 70% of all central city families in poverty were headed by women. Only 5.5% of all white male and 10% of all black male family heads had incomes below the poverty level in 1982 compared to 22% of all white female and 50% of all black female family heads.

The ethnic composition of those in poverty in larger cities is illustrated in Table 4-2.

Table 4-2
Population by Race and Spanish Origin[1], for Larger Cities[2] Grouped by Resident Need[3] and Population Change, in 1980

(Persons in Thousands in 1980)

RESIDENT NEED 1980	POPULATION CHANGE, 1970 - 80 Declining	Stable	Growing
High			
White	9,459	700	304
Black	6,129	703	13
Spanish Origin	2,051	270	265
RATIO:			
Black/White	0.65	1.00	0.04
Black/Spanish[4]	2.99	2.60	0.05
Moderate			
White	1,026	4,775	1,502
Black	801	1,485	1,502
Spanish Origin	60	1,048	622
RATIO:			
Black/White	0.78	0.31	0.09
Black/Spanish	13.35	1.42	0.22
Low			
White	547	3,306	3,158
Black	41	744	672
Spanish	12	304	727
RATIO:			
Black/White	0.07	0.23	0.21
Black/Spanish	3.42	21.45	0.92

NOTES: 1. Persons of Spanish origin
2. 56 cities whose populations exceeded 250,000 in 1980.
3. Defined in Chapter 3.
4. Black and Spanish origins do not overlap.

SOURCE: Staff calculations based on U.S.Bureau of Census, 1980 Census of Population, PC-80-1-c, General Social and Economic Characteristics, 1983. Tables 131, 137, 155.

Blacks and Hispanics were disproportionately represented among the poor in high-need cities. Poverty rates in declining, high-need cities were almost double those of growing, low-need cities . Between 1970 and 1980, almost 60 percent of the total growth in large city poverty occurred in high-need, declining population cities. As the local resource base of many of the large central cities have diminished, their services have declined, and their more affluent populations have looked elsewhere for residence. The cycle for both the involved cities and their poorer residents has been a viscious no win' one.

Sources of Income

Only ten percent of the white poor and 12% of the black poor in central cities relied solely on earned income (job income). Over forty percent of the poor white population, and fifty percent of the black population below poverty relied exclusively on non-earned income (Table 4-3).

Public assistance, supplemented by social security and supplemental security income, has been essential to survival.

The characteristics of urban households living in poverty also differ from the national norm. Elderly households and families with no husband present are far more prevalent.

Households, irrespective of composition, reflect higher poverty rates in cities than elsewhere. For example, families with female heads and school-age children have a poverty rate of 53 percent in central cities and only 34 percent in the suburbs.

Finding Work and Being Poor:

Surprisingly, many in poverty hold jobs.

Over 40 percent of poor white householders, and 30 percent of poor Black householders worked at least part-time during 1982. In declining, high-need urban areas, however, the opportunities for entry-level employment were few, and prevailing wages were low. Half of all Black working householders in poverty were employed in low-level service businesses.

For many urban households in poverty, employment was not always possible or easy. One third of both Black and White householders in poverty said they could not find work. Another third of both Black and White householders in poverty, who did not work or worked only part of 1982, report that they could not work because they were ill, disabled, retired, or going to school (Table 4-4).

Table 4-3
Source of Income for Families Living in Central Cities
by Race and Poverty Status, in 1982

(Percentages of Total Families In Poverty)

	FAMILIES			
	Below Poverty Level		Above Poverty Level	
Number of Families	White	Black	White	Black
Total (1,000s)	1,384	1,228	10,760	2,310
With Earnings only	18%	12%	13%	25%
With Earnings and other Income[1]	36	32	75	67
With Non-earnings Income Only[1]	42	52	12	8
Relying on One of the Following Government Transfers as the Sole Income Source[2]				
Social Security	4	4	1	2
Public Assistance	20	31	*	*
Supplemental Security Income	*	1	*	*

NOTE: 1. Income other than earnings includes returns to property, and government transfers. Transfers include social security, public assistance, supplemental security income, and others.

2. Most families receive income from more than one source.

Figures in table do not reflect sizes of recipient groups.

SOURCE: US Bureau of the Census, Current Population Reports, Series P-60, No.144, Characteristics of the Population Below Poverty Level, 1982, 1984. Table 20.

TABLE 4-4
Reason that Householders (below poverty level and living in central cities) Did not Work or Worked only Part of the Year, by Race, in 1982

(Numbers in Thousands)

	RACE			
	White		Black	
	Number	Percent of Column Total	Number	Percent of Column Total
Main reason for working only part of year[1]				
Ill or disabled	37	3	33	2
Keeping house	55	5	49	3
Unable to find work	226	19	226	16
Other	57	5	68	5
Main reason for not working in year				
Ill or disabled	141	12	216	15
Keeping house	377	32	452	32
Going to school	32	3	25	2
Unable to find work	124	11	257	18
Retired	98	8	76	5
Other	12	1	9	1

NOTE: 1. Less than 50 weeks.

SOURCE: U.S. Bureau of the Census, Current Population Reports, Series P-60 No. 144, Characteristics of the Population Below Poverty Level, 1982, 1984. Table 20. Householders refer to persons in whose name the dwelling unit is owned or rented.

Central City and Suburban Fiscal Disparities

From 1970 - 1982, the suburbs grew richer and central cities grew poorer. As noted by the 1984 Presidents National Urban Policy Report (p. 39), the median income of central cities "fell from 99% of the 1970 national median income to 93% of the 1982 figure, while the median income of suburban families remained stable at about 115% of the national median."

As relevant the gap between central cities and suburban incomes was greatest in central cities of large metropolitan areas. Here, the median family income fell from 101% of the 1970 national median to 90% of the 1982 figure. Although devoid of precise policy recommendations, the Presidents Report correctly notes that "widening central city-suburban income differentials can have serious consequences for the social and economic well-being of urban residents. Central cities experiencing declines in family income relative to their suburbs have relatively less capacity to raise revenues and meet service needs of their residence -or of potential employers..."

SECTION IV: The Fiscal Condition of Cities

Since the early 1970s, cities generally, and large cities in particular, have had to overcome serious economic and fiscal hurdles--a series of recessions, unprecedented rates of inflation, the effects of the tax limitation movement. But the redirection of Federal policy under President Reagan presented perhaps the most serious challenge to state and local officials.

The New Federalism coincided with a severe national recession which sent interest and unemployment rates skyrocketing. Together, the New Federalism and the recession strained the budgets of many cities, forcing tax increases in some instances, service and workforce reductions in others and a combination of austerity measures overall.

How Cities Spend their Money

Cities with declining populations spent far more per capita than stable and growing urban centers (Table 5-1). They also spent a smaller percent of their budget on essential services such as police, fire

TABLE 5-1
Total Expenditures: Average Per Capita Amount and Percent Change, 1976-1981

	1976 Per Capita Amt	1981 Per Capita Amt	% change 1976-1981
High Need			
Declining Population	$811.28	$1070.63	31.9%
Stable Population	387.87	635.13	63.8
Growing Population	181.18	314.24	73.4
Moderate Need			
Declining Population	832.24	1353.57	62.6%
Stable Population	494.80	724.38	46.4
Growing Population	287.49	427.73	48.8
Low Need			
Declining Population	491.35	845.40	72.1%
Stable Population	456.46	576.70	46.8
Growing Population	393.54	576.70	46.5

SOURCE: City Government Finances, Bureau of the Census, Department of Commerce, Washington, D. C.

sanitation and sewers, a far greater proportion on education and social services--welfare, health and hospitals.

Expenditures needed to restore urban infrastructure have slowed considerably. Cities like Boston, for example, repaved major thoroughfares once every 75 years, instead of the recommended 25-year intervals. Four of nine city categories reported a decrease in budget shares allocated to capital expenditures, and in constant dollars, outlays, generally, have declined since 1976 (Table 5-2).

TABLE 5-2
Capital Outlays: Per Capital Amount
Percent of Total and Percent Change
1976-1981

	1976		1981	
	Per Capita Amount	% Total	Per Capita Amount	% Total
High Need				
Declining Population	$120.82	14.9%	$150.24	14.0%
Stable Population	64.85	16.7	135.20	21.3
Growing Population	40.38	22.3	61.29	19.5
Moderate Need				
Declining Population	94.37	11.3%	183.64	13.6%
Stable Population	101.64	20.5	154.80	21.4
Growing Population	56.66	19.7	110.48	25.8
Low Need				
Declining Population	105.08	21.4%	$189.02	22.4%
Stable Population	118.48	26.0	131.18	20.4
Growing Population	99.15	25.2	136.96	23.7

SOURCE: City Government Finances, Bureau of the Census, Department of Commerce, Washington, D. C.

The City Workforce

The changes in the workforce between 1978-82 are another indication of urban budgetary difficulties and suggest a strain in the cities' abilities to maintain services. Cutbacks were experienced by cities in widely varying states of economic health.

Some of these reductions were due to the termination of the Comprehensive Employment and Training Act. But full-time long time workers were eliminated as well (Table 5-3).

TABLE 5-3
Number of Full-time Equivalent Employees
Per 10,000 Residents, 1976-1982

	1978	1982	
	Employees per 10,000 Population	Employees per 10,000 Population	1978-1981 % Change
High Need			
Declining Population	288	262	(9.0)%
Stable Population	150	123	(18.0)
Growing Population	N.A.	N.A.	
Moderate Need			
Declining Population	131	143	9.2
Stable Population	200	166	(17.0)
Growing Population	101	96	(5.0)
Low Need			
Declining Population	181	156	(16.0)
Stable Population	173	177	2.3
Growing Population	140	177	26.4

SOURCE: Joint Economic Committee's Municipal Finance Survey Data 1978-1982. Unpublished.

How Cities Obtain Their Money

Revenues are collected from two sources: local taxes and user fees, and revenues distributed from other levels of government.

Declining cities have obtained much higher revenues on a per capita basis than any other group, yet these cities also have experienced the slowest revenue growth in recent years--some 45 percent below the inflation rate. As a result, purchasing power for these cities have declined significantly (Table 5-4).

TABLE 5-4
Total Revenues - Average Per Capita
Amount and Percent Change, 1976-1981

	1976 Per Capita Amt	1981 Per Capita Amt	% change 1976-1981
High Need			
Declining Population	$871.45	$1168.68	34.1%
Stable Population	430.79	705.72	63.1%
Growing Population	201.41	381.65	89.5
Moderate Need			
Declining Population	859.14	$1448.97	68.7%
Stable Population	495.35	797.33	61.0
Growing Population	284.36	440.79	55.0
Low Need			
Declining Population	469.51	760.03	61.9%
Stable Population	458.43	711.86	55.3
Growing Population	387.83	595.93	54.2

SOURCE: City Government Finances, Bureau of the Census, Department of Commerce, Washington, D.C.

At the same time, Federal grants in aid, expressed in constant dollars, have also declined in recent years. Again, the greatest impacts were felt by the cities in the worst shape.

Pursuant to the spirit of the New Federalism, state aid in 1981 increased dramatically for all categories of cities. But the state share of local revenues still declined for most categories of cities.

In other words, the financial burden has rested more and more on the shoulders of the cities themselves. Increasingly, they have had to depend on their businesses and taxpayers to directly meet operating costs. This has resulted in major increases in user fees. Additionally, charges and sales tax revenues have contributed a greater portion of total city revenues. Revenues from property taxes have declined as a portion of the revenue base (Table 5-5).

The tax burden, especially in cities with declining populations, has fallen heavier on individual taxpayers. In declining population, high and moderate needd cities, the weight of federal, state and local taxes generally is higher than the national average (TAble 5-6).

TABLE 5-5
Own-Source Revenue: Average Per Capita Amount
Percent of Total Revenue, Percent Change, 1976-1981

	1976		1981		
	Per Capita Amount	% Total	Per Capita Amount	% Total	% Change 1976-198
High Need					
Declining Population					
Property tax	$194.14	22.3%	$221.41	19.0	14.1%
Sales tax	48.26	5.5	74.00	6.3	53.5
Income tax	--	--	123.34	10.6	--
Other tax	88.45	10.2	25.43	2.2	(71.25)
Current charges	86.00	9.9	109.55	9.4	27.4
Misc.	38.53	4.4	86.16	7.4	123.6
Stable Population					
Property tax	79.13	18.4	116.55	16.5	(47.3)
Sales tax	70.54	16.4	124.15	17.6	76.0
Income tax	---	---	20.02	2.8	---
Other tax	34.00	7.9	37.68	5.3	10.8
Current charges	54.90	12.7	98.72	14.0	79.8
Misc.	32.14	7.5	118.42	16.8	268.5
Growing Population					
Property tax	55.73	27.7	81.04	21.2	45.4
Sales tax	31.81	15.8	54.24	14.2	70.5
Income tax	--	--	--	--	--
Current charges	36.03	17.9	84.21	22.1	133.7
Misc.	25.88	12.9	40.01	10.5	54.6
Moderate Need					
Declining Populations					
Property tax	123.93	14.4	225.33	15.6	81.8
Sales tax	123.03	14.3	209.16	14.4	70.-
Income tax	--	--	214.46	14.8	--
Other tax	152.62	17.8	52.13	3.6	(65.8)
Current charges	51.19	6.0	195.12	6.6	85.8
Misc.	32.07	3.7	95.94	6.6	199.2
Stable Population					
Property tax	105.89	21.4	119.63	15.0	13.0
Sales tax	41.45	8.4	75.94	9.5	83.2
Income tax	--	--	29.33	3.8	--
Other tax	39.50	8.0	37.54	4.7	5.0
Current charges	75.77	15.3	152.37	19.1	101.1
Misc.	39.19	7.9	118.14	14.8	201.5

Table 5- 5 Continued

	1976 Per Capita Amount	1976 % Total	1981 Per Capita Amount	1981 % Total	% Change 1976-1981
Growing Population					
Property tax	47.40	16.7	41.00	9.3	(13.5)
Sales tax	65.04	22.9	109.12	24.8	67.8
Income tax	--	--	--	--	--
Other tax	6.43	2.3	8.10	1.8	26.0
Current charges	32.14	11.3	47.65	10.8	48.3
Misc.	26.76	9.4	75.55	17.1	182.3
Low Need Declining Population					
Property tax	$125.14	26.7%	$143.38	18.9%	12.7%
Sales tax	24.22	5.16	40.94	5.4	69.0
Income tax	--	--	--	--	--
Other tax	7.60	1.6	12.77	1.7	68.0
Current charges	61.190	13.2	120.14	15.8	94.1
Misc.	29.48	6.3	104.59	13.8	254.8
Stable Population					
Property tax	105.51	23.0	130.21	18.3	23.4
Sales tax	75.68	16.5	155.74	21.9	105.8
Income tax	--	--	--	--	--
Other tax	16.01	3.5	26.87	3.8	67.8
Current charges	65.76	14.3	117.34	16.5	78.4
Misc.	39.18	8.6	112.65	15.8	187.5
Growing Population					
Property tax	104.30	26.9	144.13	24.2	38.2
Sales tax	45.45	11.7	84.30	14.2	85.5
Income tax	--	--	--	--	--
Other tax	13.55	3.5	17.68	3.0	30.5
Current charges	49.54	12.8	95.62	16.1	93.0
Misc.	24.51	6.3	83.03	13.9	238.8

SOURCE: City Government Finances, Bureau of the Census, Department of Commerce, Washington, D. C.
of Commerce, Washington, D. C.

TABLE 5-6
Direct Tax Burden for Married
Couple With Two Dependents, 1982
As A Percent of Income

	Income Level: $25,000	
	Total for Selected Taxes*	Total State-Local Taxes
U. S. Median	22.01%	5.45%
High Need/Declining Population	23.47	7.34
High Need/Stable Population	20.75	3.86
High Need/Growing Population	N/A	N/A
Moderate Need/Declining Population	24.56	8.76
Moderate Need/Stable Population	21.10	4.32
Moderate Need/Growing Population	N/A	N/A
Low Need/Stable Population	21.71	5.09
Low Need/Growing Population	21.86	5.28
Low Need/Declining Population	22.78	6.44

SOURCE: Michael W. Lawson. "Measuring Tax Burden." Intergovernmental Perspective. Vol. 10, No. 2. Spring 1984.

*Selected taxes include social security, federal income tax, state and local income taxes, state and local general sales taxes, and the local tax on residential property.

The Effect of Recovery

The ability of cities to participate in the effects of recovery varies considerably.

Some cities, largely in the Northwest and Midwest, have been hit harder than others by past recessions. During recovery periods, these cities have not shared equally in economic growth. They tend to take longer to recover and frequently do not attain past levels of economic activity.

In other words, as explained earlier, these cities go deeper into recession, recover more slowly and fall further behind cities whose economies are healthier.

During the period 1976-81, cities exhibited significant budget restraint. But for the large cities with high need and declining populations, it was a period marked by sharp adjustments to vastly slower growth in Federal aid, modified priorities in service levels, and a shifting of the revenue burden.

None of these measures, in themselves, were deleterious, and to the extent that they encouraged greater efficiency and effectiveness in program delivery they had positive consequences. However, to the extent that service reductions disproportionately affected the poor or tax increases speeded up migration of the middle class, they accelerated serious economic, fiscal and social problems.

The problem cities at all levels now face was expressed in two recent Joint Economic Committee Reports to the Congress on the fiscal conditions of cities. The Committee found a continuing high proportion of cities with operating deficits ..... "For some cities, the current budget stress marks another chapter in a prolonged saga of strained budgets, forcing a difficult choice between raising tax rates or cutting services in a depressed economy. In addition, for the first time, there is a large increase in the number and proportion of medium (50,000-99,999) and large (190,000-249,999) cities with operating deficits..."

SECTION VI: Housing and Neighborhood Conditions in Cities

The capacity of most cities to provide "decent housing in suitable living environments" increased during the 1970s. But growing mismatches between housing costs, the reduction in federal assistance, and household ability to pay for housing threaten to choke off future progress. Similarly, lax enforcement of legislation forbidding housing discrimination threatens to limit minority household choice.

Since 1980, homeownership has been on the decline. "Doubling up" is common. Homelessness is on the rise and the concentration of minorities in cities, in part resulting from discrimination, remains a visible problem.

Housing Quality and Occupancy - the Seventies

During the seventies, the number of occupied housing units rose and the number of units with deficiencies such as exposed wiring and lack of bathrooms fell. Inflation made homeownership increasingly attractive. Indeed, on balance, homeownership held very stable in all types of cities (Table 6-1).

TABLE 6-1
Housing Physical Quality and Occupancy Conditions
in 1970 and 1980, by Type of City

	Cities With Relatively High Resident Need		Cities With Moderate Resident Need		Cities With Relatively Low Resident Need	
	Decreasing Population	Stable Population	Decreasing Population	Stable Population	Stable Population	Growing Population
Percentage of Occupied Units:						
Lacking Complete Plumbing						
1980	2.22	1.8	2.1	1.4	1.2	1.0
1970	3.1	3.4	3.5	2.5	1.9	1.9
Overcrowded						
1980	5.8	10.2[a]	4.4	5.7	3.7	6.4
1970	8.8	12.9[a]	7.8	7.3	6.1	9.4
Owner Occupied						
1980	42.5	42.5	48.0	52.4	56.6	55.6
1970	41.2	42.7	45.9	56.2	58.8	57.2

[a] Overcrowding was a severe problem in Miami in both 1970 and 1980. Miami is classified as a relatively high need city with a stable population.

SOURCE: 1970 and 1980 Census of Housing.

The supply of housing during the 1970s also kept pace with increased demand.

Neighborhood Quality

Most people, when asked to evaluate their neighborhoods, described them as "good" or "excellent", regardless of where they lived. People in the suburbs, however, seemed to be more satisfied.

TABLE 6-2
Percentage of Households Rating Their Neighborhoods as Good or Excellent: 1973 - 1978

Year	Central Cities	Suburbs
1978	71	84
1973	71	85

SOURCE: U.S. Annual Housing Survey

But neighborhood dissatisfaction was significantly higher in high-need, declining population cities. In cities like Newark, for example, over 40 percent of the city's residents expressed a desire to move because of some characteristic of their neighborhood. The corresponding figure in Boston and Detroit exceeded 20%. Only 17.4% of residents in Dallas and 16.3% in Phoenix felt conditions were so bothersome that they wished to move.

Housing Affordability

Except in high need cities with decreasing populations, inflation in housing values during the 1970s outstripped income growth by almost a two to one margin. Median gross rents also outstripped household income growth in every city type (Table 6-3).

The impact of increased housing and rent costs fell disproportionately on the poor. According to most economists, households should not pay more than 25 percent of their incomes onl housing. Yet by 1980, almost three-fourths ofrenters with incomes of $7,000 or less paid more than 35 percent of their incomes for housing. Over half paid more than 50 percent. Fully 85 percent of lower income homeowners paid more than 40 percent of their incomes for basic housing costs, mortgage payments, taxes and utilities.

Inflation and Homeownership

During the period from the mid 1960s through 1978, net housing costs fell by almost 30 percent. Significant capital gains resulted from the effect of inflation on home prices. Inflation induced "bracket creep" in U.S. income taxes boosted the value of homeowner tax breaks. Mortgage interest rates often lagged behind inflation and produced negative real borrowing costs. Together these factors more than counterbalanced inflation in out-of-pocket borrowing costs and the related capital cost of units.

But beginning in 1978, the real net cost of housing began to rise sharply, as mortgage rates began to catch up with inflation. By 1981, the net costs of homeownership were almost as high as they had been in 1963, while out-of-pocket costs were 50 percent higher then they were in the earlier period. The result is that homeownership is not not affordable by very large numbers of urban and nonurban households (see Figure 6).

Inflation in Rental Housing

The 1970s were a period of rapid nominal inflation in rents. But in terms of real purchasing power, rents declined during the decade.

Inflation in rents erupted in 1981. Between 1980 and 1983, consumer price index measures of shelter rents rose 21 percent. The overall costs of living rose only 16.6 percent, almost five points lower.

No region or type of community escaped rapid increases. The mounting cost of homeownership increased the demand for rental housing and the real cost of such housing. In addition, for poor people, particularly, costs were increased because the supply of affordable housing was diminished as a result of efforts to clear slums and renew older areas, and because of diminished federal support for new subsidized units. Finally, the day to day increases in the cost of utilities has pushed effective rents much higher.

The Effects of Housing Inflation

Housing inflation in the early 1980s has already produced major changes in urban markets. It is reflected in:

* Diminishing rates of household formation;

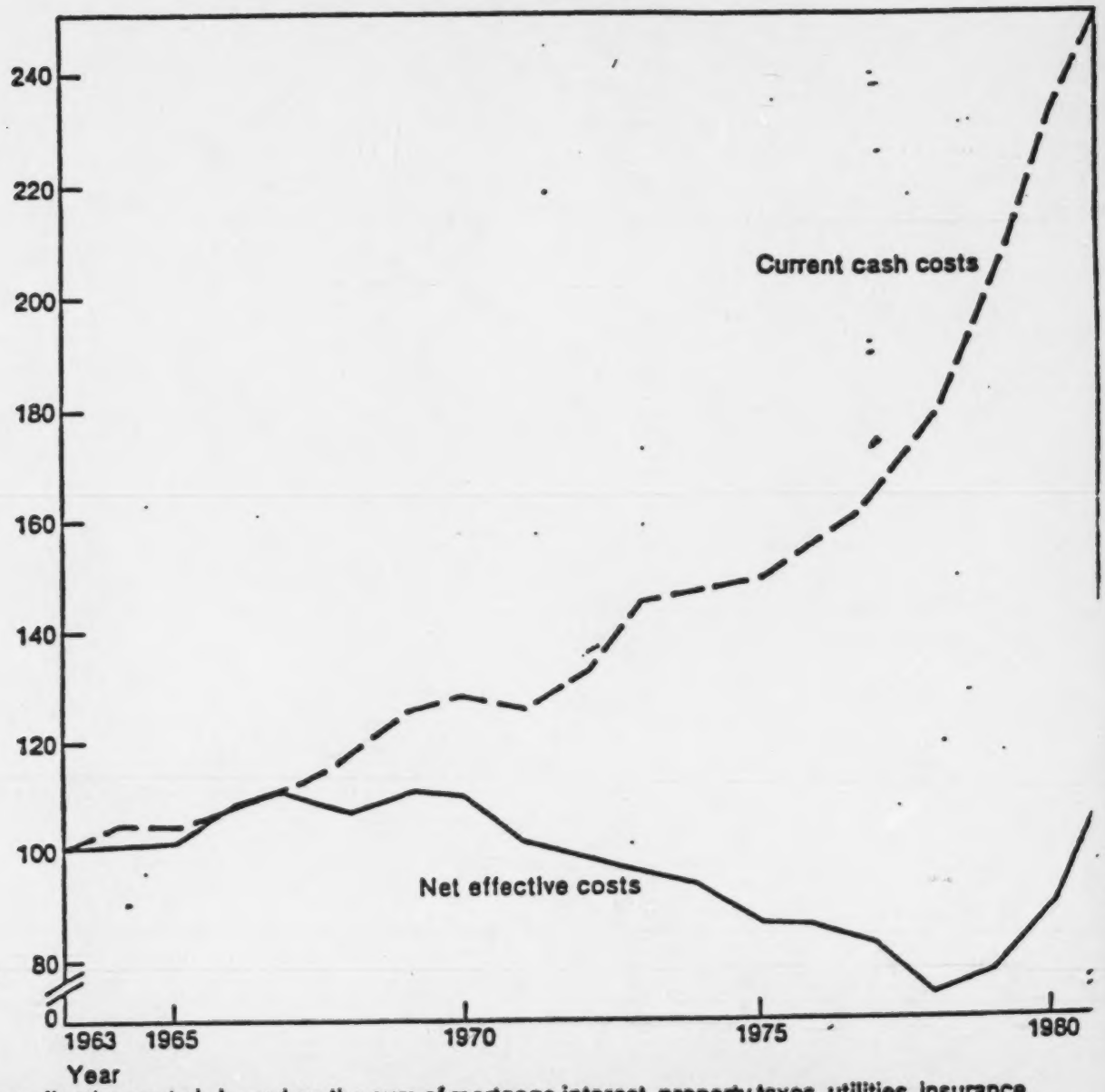
* Falling rates of homeownership; and

* Increasing homelessness.

During the 1970s, new households rose by an average 1.6 million per year. Between 1980 and 1983, this figure fell to 1 million. Between 1982 and 1983, the number totalled only 391,000.

Figure 6.

Indices of Current Cash Costs and
Net Effective Costs of Homeownership



Index of net effective costs is based on the sum of mortgage interest, property taxes, utilities, insurance, maintenance, and repair expenses, reduced by tax savings and expected capital gains, for a constant-quality (1974) house. Index of current cash costs includes the above except for tax savings and expected capital gains.

Source: William F. McKenna, The Report of the President's Commission Housing (Washington, D.C.: U.S. Government Printing Office, April 1982).

TABLE 6-3
Changes in Housing Rents, Values and Household Incomes, by Type of City: 1970 to 1980

	Cities With Relatively High Resident Need		Cities With Moderate Resident Need		Cities With Relatively Low Resident Need	
	Decreasing Population	Stable Population	Decreasing Population	Stable Population	Stable Population	Growing Population
Median Housing Value						
1980	32,900	49,300	45,600	55,100	46,600	70,200
1970	16,200	18,000	16,600	17,500	15,100	21,300
Percent Change	103	174	175	215	209	230
Median Gross Rent						
1980	212	214	224	235	241	280
1970	103	99	109	107	107	126
Percent Change	106	116	106	120	125	122
Average Household Income						
1979	16,020	16,500	19,070	18,800	19,900	21,460
1969	9,060	8,410	9,810	9,840	9,600	10,900
Percent Change	77	96	94	91	107	97

SOURCE: 1970 and 1980 Census of Housing.

The noted decline in new household numbers suggests changes in living patterns of young people. Despite the continued coming age of the post-war baby boom, the numbers of households headed by persons under 35 years old declined between 1982 and 1983.

The exact reasons for the drop-off remain unclear. But, there is no doubt that the capacity of younger people to form their own households has been curtailed by the effects of the recent recession and the continuing inflation in housing costs.

Nationally, rates of homeownership have been decreasing (see Figure 6-1).

The bulk of the decline has occurred among people under 40 years of age.

Homelessness

Homelessness is an apparent and troubling result of the combination of recession and housing inflation which characterize the early 1980s.

While it is hard to develop precise data to define the scope of the problem, a 1984 survey by the U.S. Department of Housing and Urban Development reported:

* On any given night, some 590,000 Americans sleep on the streets;
* The demographic makeup of the homeless has shifted markedly from 1980. In 1983, one in five of the homeless were family members, not single people. They were mostly in their 20s and early 30s. Close to half were minorities.
* Emergency shelter capacity remains far below need--on any given night, only 91,000 beds were available.

Housing Discrimination:

Virtually, every recent housing indicator indicates that housing conditions are worse among minority groups than they are among the general population (Table 6-4). Data shows Blacks and Hispanics are:

- o less likely to own their homes
- o more likely to live in physically inadequate units.
- o more likely to live in over crowded conditions

Moreover, minority groups have paid and are now paying somewhat larger than average proportions of their incomes for housing than does the general population.

Only part of the disparities between whites and minorities result from income differences. Discrimination and segregation continue to circumscribe the housing choices of Blacks and Hispanics. Testing programs in Southwestern cities have shown that Hispanics encounter at least as much discrimination by landlords and sales agents as do Blacks. Moreover, neighborhood segregation in most metropolitan areas continues to limit the access of minorities to areas where higher quality housing is available.

TABLE 6-4
Housing Conditions of Blacks and Hispanics in Central Cities: 1980

	Blacks	Spanish Origin	Total Households
Percent of Households			
Owner-Occupants	36.8	33.5	49.5
In Structures Built Before 1940	47.7	43.1	41.0
In Units Lacking Some or All Plumbing	1.8	1.7	1.2
Units Lacking Complete Private Kitchens	2.1	2.9	1.5
In Units With:			
Open Cracks or Holes in Walls	14.1	13.0	7.7
Holes in Floors	6.3	4.6	2.7
Overcrowded*	8.3	16.9	4.9

* Defined as occupancy by more than one person per room.

SOURCE: U. S.Annual Housing Survey

Future Trends

Housing choices and opportunities of Americans have diminished during the 1980s. There are no signs that housing constraints will loosen in the near future.

During the 1970s, a number of factors encouraged major reinvestment in city housing stock. They included:

* The aging of post-war babies; and the demand created by their households;

* Inflation in the out-of-pocket costs of homeownership; and

* Planning and environmental constraints limiting housing construction in suburban areas.

Several factors will likely impede reinvestment in cities in the eighties. They include:

* Persistent capital shortages and high interest rates;
* An end to large scale Federal subsidy programs for new housing production; and
* Continued increases in the demand for rental housing
* Continued willingness of households to "double up" rather than pay the price for new or different housing arrangements.
* Failure to eliminate discriminatory behavior.

The housing market of the 1980s appears to be much more likely to circumscribe the opportunities of lower income persons and minorities. Continued rent inflation and persistent high levels of demand for rental housing on the part of middle income households is likely to squeeze the disadvantaged into lower quality housing and neighborhoods, and into more overcrowded living conditions.

SECTION VI: Education - Urban America

The study - A Nation at Risk - issued by the National Commission on Excellence in Education in the early eighties found our nation's education system wanting. Despite often heroic efforts by many administrators, principals and teachers, America's elementary and secondary education programs provided their students with insufficient cognitive and adaptive skills.

The Commission noted that over 20 million American citizens are functionally illiterate. Similarly, and tragically, it indicated that well over 10% of all 17-year-olds and as high as 40% of all minority youth are functionally illiterate.

According to the Commission, "average achievement of high school students on most standardized tests is now lower than 26 years ago, when Sputnik was launched. The College Boards Scholastic Aptitude Tests (SAT) demonstrate a virtually unbroken decline from 1963 to 1980." Average verbal scores fell well over 50 points, math scores fell nearly 40 points.

School Districts in central cities, particularly needy cities, have had a rough time. They have been asked by the nation to accept roles and responsibilities well beyond teaching students "reading, writing and arithmetic..."

Big city schools,

- o have played a crucial role -- often with minimal support from other public and private sector institutions-- in our nation's effort to eliminate racial injustice and provide equal opportunity.
- o have served as surrogate parents to increasing numbers of youngsters from single parent or broken homes.
- o have helped growing numbers of non-conventional students learn how to cope in a complex urban society.

Big city schools, despite rapidly changing student populations and despite visible fiscal constraints, have responded reasonably well to the demands made on them. Clearly, they have helped reduce the historical educational gaps between minority and non-minority children. In 1960, nearly four out of ten black youngsters completed high school, compared to almost 70% of white youngsters; by 1980, almost 70% of all blacks finished high school compared to just over 80% of all whites

In a similar vein, a focused look at national data indicates that during the seventies, 9-year-old black students made substantial gains in reading and in mathematics; conversely, white students experienced a decline in mathematics and their gain in reading performance was not as large as that observed for their black counterparts. Also, black 13-year-olds gained in reading, while the performance of their white counterparts remained stable. Both white and black 17-year-olds experienced substantial declines in mathematics performance.

Test-scores often hide what is really happening in our urban schools. Higher test-scores of late should not blur basic trends or make us complacent about basic teaching and curriculum weaknesses. Presently, salaries are too low to attract and often retain the best teachers. Curriculum in many schools remains uneven - a smorgesboarg of sometimes unnecessary irrelevant courses. Because of economic difficulties many urban school districts can not easily respond to multiple often inconsistent national and local commitments concerning basic education and education premised on specific student needs.

Currently, despite some noteworthy accomplishments, many of our larger urban school districts, particularly districts in needy cities, remain in trouble. Their ability to provide an integrated school education to all students is in doubt. In 1970, their school population was almost equally divided between minority and white students. In 1982, minority enrollment exceeded 70%. Similarly, while the total number of poor children in the nation decreased by 7.8%, in older larger needy central cities, the number of poor children increased by 6.0%

Cut backs in federal funds combined with fiscal problems, exacerbated by the recent recession, have caused many urban school districts in high need cities to

- o terminate significant number of teachers; teachers often involved in strategic desegregation programs or programs aimed at the needs of disadvantaged students
- o postpone decisions concerning raising teacher pay and instituting needed differential pay for differential teacher performance
- o postpone repairs and revitalizaton of school facilities - many of which are over 60 years old.
- o narrow the range of needed core or basic educational programs offered students and/or increase the student/teacher ratios beyond reasonable limits.

While standardized test scores among big city elementary and junior high schools have shown steady progress, particularly re.reading, high school students continue to score below national averages.

Dropout of 1980 High School Sophomores in Spring of 1982 in urban school districts were 18.9%, exceeding the national rate of 13.6% and the suburban rate of 11.2%. Hispanic and black dropout rates (all districts) average 17 and 18%, respectively. The comparable white rate was only 12.2%. Low income school children dropped out of school at rates nearly twice as high as students from middle and high income households.

A nation that perceives itself at risk because of the condition of its educational institutions can and should do better.

SECTION VII: The Urban Impacts of the Administration Policies & Programs

Within the context of its economic recovery priorities, the two primary goals of the present Administration have been to build up national defense and to decrease the government's role in American life.

The President believes that federal programs themselves are part of the problem rather than a solution to what ails American urban society. He argues that by reducing the federal role it is possible to unleash the market forces and entrepreneurial spirit necessary for productivity increases and economic growth.

This belief in market forces is accompanied by a willingness to accept its distributional consequences. In the Administration's view, places, industries, and people must adjust to economic realities.

If places and industries lose their competitive edge, they must be replaced by others better suited to current conditions.

The implications of this philosophy for the cities is clear: The Administration's urban policy is not to have an urban policy. Instead, the President has concluded that cities and their residents would be best served by the effective implementation of the overall plan for economic recovery.

At best, this approach promises a continuation of urban ills, at worst it magnifies the problem considerably. A continuation of urban ills is to be expected since urban problems are to a large degree the result of the very market forces in which the Administration places its faith.

Further deterioration is likely. Urban areas and their low and moderate income residents were the beneficiaries of many of the programs the Administration has cut back.

The biggest cuts have been enacted in programs financing state and local government, education, health and social services, and benefit programs tied to low income populations.

Overall, the President's policies have helped the affluent but have been damaging to the poor and the near poor. Since 1980, the real disposable income of the poorest one-fifth of all families declined by nearly eight percent, while that of the top quintile increased by almost nine percent.

And increasingly, it is the poor and the aged that look to the central cities as their homes.

The Administration's Initiatives

The key components of the President's program have been as follows:

* Reduction of federal taxes.

* Shift in spending from domestic programs to defense.

* Shift in responsibilities from the federal government to states

* Reliance on private sector initiatives.

Another, unarticulated component has been the willingness of the Administration to accept high unemployment in the employment-inflation tradeoff.

An analysis of the federal budget illustrates the consequences of these policies (Table 7-1).

TABLE 7-1
Major Trends in the Budget

	1981 Actual	1984 Baseline*	Percentage Change
Total Budget Outlays	661	853	29.0
National Defense	160	235	46.8%
Domestic Programs	320	414	29.4
Grants to State and Local Governments	55	53	-3.6
Net Interest	619	108	56.5
Other Federal Operations less Offsetting Receipts	57	433	-24.6
Total Revenues	603	663	9.9
Deficit	58	90	227.7

* CBO estimate of FY 84 spending based on Congressional actions as of December 1983. U.S. Congressional Budget Office, Baseline Budget Projections for Fiscal Years 1985-1989, February 1984

A key result of the President's economic program is the creation of a "structural deficit". The largest percentage increase in the federal budget has been the deficit, caused in part by Administration tax cuts, in part by the recession of 1980-82, and in part by high interest rates.

The deficit per se is not an "urban issue", yet it has real consequences for urban areas. It raises interest rates, limits the amount of money that can be allocated to urban-oriented federal programs, and raises the cost of all public and private sector borrowing. Tax policy per se is not an urban issue either, yet the consequences of the recent tax cut have worked to the disadvantage of most urban areas. By shifting the burden of federal taxation toward lower income people and from wealthier people, residents of the urban centers have less disposable income available to contribute to the revitalization of local economies (7-2).

TABLE 7-2
Tax Burdens for Families by Quintile of Pre- Tax Income
1980 and 1984
(Percentage of Pre- tax Income)

	Bottom		Second		Third		Fourth		Top	
	1980	1984	1980	1984	1980	1984	1980	1984	1980	1984
Federal Income Taxes	.5	1.2	6.3	6.0	10.5	9.4	14.0	12.6	19.5	18.9
Federal Payroll Taxes	3.2	3.7	4.6	5.2	5.3	5.8	5.3	5.9	4.5	5.0
Total	3.7	4.9	10.9	11.2	15.8	15.2	19.3	18.5	224.0	23.9

SOURCE: Marily Moon and Isabel V. Sawhill. "Family Incomes: Gainers and Losers" in Palmer and Sawhill, The Reagan Record, p. 328.

The consequences of tax cuts structural deficits and increased federal spending for defense means that the sums available for domestic programs likely will continue to decline.

For urban centers, the changes in means tested entitlement programs, such as SSI, and grants to state and local governments are most important. All, in constant dollars, have declined in recent years.

The New Federalism - Shifting Responsibility

The President's stated goal is to "strengthen state and local government by giving them increased authority and flexibility to manage their own resources and return decision-making closer to the people."

To achieve this end, the Administration has:

* Reduced federal spending for domestic programs, thereby forcing state and local governments to rely more on their own resources;

* Created several new block grant programs, consolidating numerous narrow purpose categorical programs; and

* Eased a number of regulations affecting state and local governments, partly through the implementation of block grants and partly through other administrative actions.

From the perspective of the cities, the consequences of these actions have not had the intended results.

Given increased local attention to deep-seated infrastructure problems, capital demands, especially for infrastructure programs, have increased significantly in cities. Yet the federal contribution has remained relatively stable, or in the case of wastewater treatment and housing assistance programs decreased considerably.

While the number of block grants has increased, funding levels have decreased. Some programs have been eliminated (Table 7-3).

TABLE 7-3
Federal Funding of New Block Grant Categories*
(In millions of current dollars)

Program	1981	1982	1983	1984 (est.)
Community Development**	3,675	3,456	4,456	3,456
Social Services	2,991	2,400	2,675	2,675
Low-Income Energy Assistance	1,850	1,875	1,973	1,872
Education	561	503	479	479
Community Services	524	348	373	352
Alcohol, Drug Abuse, Mental Health	519	428	469	352
Maternal and Child Care	454	374	478	399
Primary Health Care	324	281	360	327
Preventative Health Services	93	79	86	88
TOTAL	10,991	9,744	11,349	10,110

*Includes funding authorized by the Emergency Jobs Bill of 1983.
**Included as a neo block grant because the "small cities" part of the program was restructured as a block grant to the states.

SOURCE: Richard Nathan and Fred Doolittle, Overview Effects of Reagan Domestic Program on States and Localities (Princeton, N.J.: Woodrow Wilson School, June 7, 1984).

But the real issue concerning block grants has been the change in the relationship not only between the Federal government and local authorities, but between the states and the cities.

With the states playing a greater role in determining how block grant funds are allocated, the influence of cities over program funds and program has decreased.

Large distressed cities have lost federal money at times, because state governors and legislatures felt other areas in their states should get a greater share of already reduced block grant funds. For example, in Washington State, Seattle lost a disproportionate share of the funds from the Community Services Block Grant program to rural areas of the State. George Vionovich,(R) Mayor of Cleveland, notes that, "the prospect of block grants,as proposed, was exciting. However, after

several years of experience with State-administered programs, some disturbing patterns are developing. They are: (1) a larger proportion of federal funds are being used at the State level for internal programs, (2) local communities are being restricted in terms of programming dollars; (3) money is being allocated on a per capita basis, increasingly, rather then need."

Targeting has to do not only with the distribution of funds among places but also with their use on behalf of needy citizens. A reduction in targeting can occur either through a shift in budget priorities among programs or within programs. Both have happened.

The biggest shift in federal priorities has been from social programs to defense. The biggest shift within domestic programs has been away from programs aimed toward helping the poor. For examples, bigger needy city school districts absorbed over 50% of all cuts in federal elementary and secondary education support between FY 80 and FY 84. The institution of Chapter 2 education block grants resulted in a 63% decline in funds to many needy city school districts.

States are more likely to make up federal budget cuts in capital spending than in entitlement programs. Once again, the poor are asked to assume the largest burden of the Reagan Administration's changes in national priorities.

Reagan and the Poor

Not all poor people live in the central cities, but their numbers are disproporationately high and growing. Any policy that creates more poor people has a greater impact on the cities than on the nation as a whole.

And the Administration's policies have clearly created more poor people. The poverty rate, which had declined from 15.6 percent in 1965 to 11.4 percent in 1978, surged back to 15 percent by 1982. Budget restrictions combined with the recession dealt the key blows.

While the President pledged not to damage the "safety net" for the nation's poor, budget cuts have been heavily weighted against means tested programs.

Most of the changes were directed at the working poor.

In AFDC, for example, nearly ten percent of families on welfare were removed from the rolls, with another 10 percent experiencing major benefit cuts.

A GAO study of the cuts reported that in five cities, 493,000 families were cut from the welfare rolls, losing between $1,400 to $2,700 in annual income. A substantial proportion were left with no health insurance and budgetary shortfalls for food and utilities. Succinctly, they were left without a safety net or the basic necessities of life.

Cuts in the School Breakfast Programs amounting to $180 million. They eliminated 400,000 poor children from receiving free or reduced-price breakfasts.

Cumulative Results

What has been the net result of these budget cuts and changes in priorities?

The Congressional Budget Office analyzed the effects on households in different income groups. The report concluded that the combined impact was a net loss of income for those households earning less than $10,000 per year, a very small gain for those making $10,000 to $20,000 per year and large gains for those earning $40,000 or more. In 1984, while the average American household will be realizing an $820 net benefit from changes made in 1981 and 1982, a household earning less than $10,000 will see their income reduced $390. (Table 7-3).

Because more poor people live in urban centers, the net effect has been to increase urban problems.

The Bottom Line

The President's version of the New Federalism hit many large cities and their poorer residents very hard. Reduced funding, and less targeting to cities, combine to paint a bleak future for the ability of cities to provide adequate levels of human services. If central cities continue to suffer from uneven economies and population shifts, they will also be unable to increase their own revenues to make up for federal reductions.

While some parts of the country enjoy economic recovery, many central cities have been left behind. As noted earlier, unemployment remains very high, over twice the national average in many needy cities. Black teenager unemployment hovers near 50%.

Table 7-3

Net Change in Taxes and Benefits per Household by Income Category, Calendar Years 1983-1985 (In dollars)[a]

Calendar Year	All Households	Household Income[b] Less Than $10,000	$10,000-20,000	$20,000-40,000	$40,000-80,000	$80,000 and Over
1983						
Cash Benefits	-80	-170	-100	-40	-20	-40
Taxes	810	10	230	880	2,260	7,140
Net	730	-160	130	840	2,240	7,100
In-Kind Benefits	-70	-110	-60	-40	-60	-30
Net, including in-kind benefits	660	-270	70	790	2,180	7,070
1984						
Cash Benefits	-170	-250	-210	-130	-90	-90
Taxes	1,090	20	330	1,200	3,080	8,390
Net	920	-230	120	1,070	2,990	8,300
In-Kind Benefits	-100	-90	-90	-60	-80	-40
Net, including in-kind benefits	820	-390	30	1,010	2,900	8,270
1985						
Cash Benefits	-190	-280	-240	-130	-90	-100
Taxes	1,320	40	440	1,480	3,720	9,070
Net	1,130	-240	200	1,350	3,630	8,970
In-Kind Benefits	-120	-200	-140	-70	-90	-40
Net, including in-kind benefits	1,010	-440	60	1,280	3,540	8,930

SOURCE: Congressional Budget Office. Based on CBO's economic projections of February 1983.

NOTE: Details may not add to totals because of rounding.

a. In this table, benefit reductions are treated as reductions in household income and tax reductions are displayed as increases (because they increase after-tax income).

b. The titles for the income categories reflect the 1982 distribution of incomes for households.

The President's recent urban report focuses on isolated central city recoveries. But a more accurate picture would include cities burdened by newly created poor, scrambling to provide essential services with reduced budgets, and losing control over programs which only three years ago were under their direct management.

There appears to be no direct strategy or program for dealing with these problems. A rising tide can only lift all boats if each has sound hull.

SECTION VIII: A Needed Reaffirmation

The information presented in previous chapters paints a different and less rosy picture concerning life in central cities than that provided in the 1984 President's National Urban Policy Report.

While Secretary Pierce notes, "cities are benefiting from the nation's economic expansion", the results of the recent recovery have been uneven.

Far too many cities remain a casualty of broad regional and metropolitan growth patterns. Severe social and economic problems remain in central cities in all regions of the country. Urban populations, particulary in large needy cities contain disproportionate numbers of the poor and unemployed.

Even central cities with growing economies face burdens. Their new and rapidly growing skylines often cast shadows on declining contiguous neighborhoods. Media attention focusing on the arrival of affluent young urban professionals mask the fact that poverty-prone and poverty-enveloped populations are increasing both relatively and absolutely.

Urban America today is a tale of two cities. For some, it is the best of times; for many, it remains the worst of times.

There are no easy answers, but a lack of answers should not mute committment.

Cities and their residents, particularly the poor, have unfortunately been asked to shoulder a disproportionate burden of the Administration's budget cuts and regulatory changes.

Our cities deserve better from our national government. Indeed, up until recently they secured better treatment. Every Administration, through 1980 focused more than residual attention and resources on our cities. While approaches and indeed results differed, they articulated and attempted to carry out specific efforts aimed at helping other levels of government, the private sector and community groups improve the quality of life in America's cities.

As a nation, we need to re-affirm our commitment to our urban centers. Their ability to maintain themselves as economically viable commercial and industrial centers is important to the general good and welfare.

Their ability to sustain a leadership role with respect to culture and the arts is crucial to the nation's effort to preserve its heritage and expand its horizons.

Their capacity to offer shelter and services to the homeless and opportunity to the poor and the disadvantaged lends "truth in advertising" to the American dream.

Fiscal constraints will require different roles for Federal, state and local governments in the future. But strategies concerningthe sharing and shifting of urban policy responsibilities among all levels of government, the private sector and community groups should reflect national committments with respect to fairness as well as efficiency. In this context, the federal government cannot abdicate responsibility and a leadership role. Urban America cannot provide a decent quality of life for its residents or contribute to the nation without federal help.

Clearly, an uncertain economy, combined with certain large budget deficits, limits the urban policy options open to Congress and the Administration. Just as clearly, however, government continues. Choices will be made by the Administration and Congress concerning public sector expenditures. Our cities and their residents need and deserve priority attention.

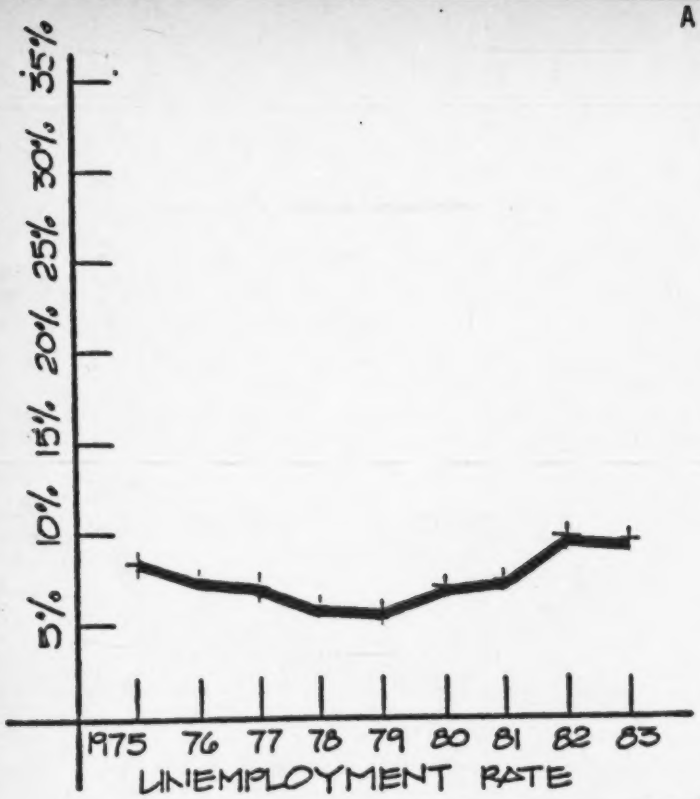
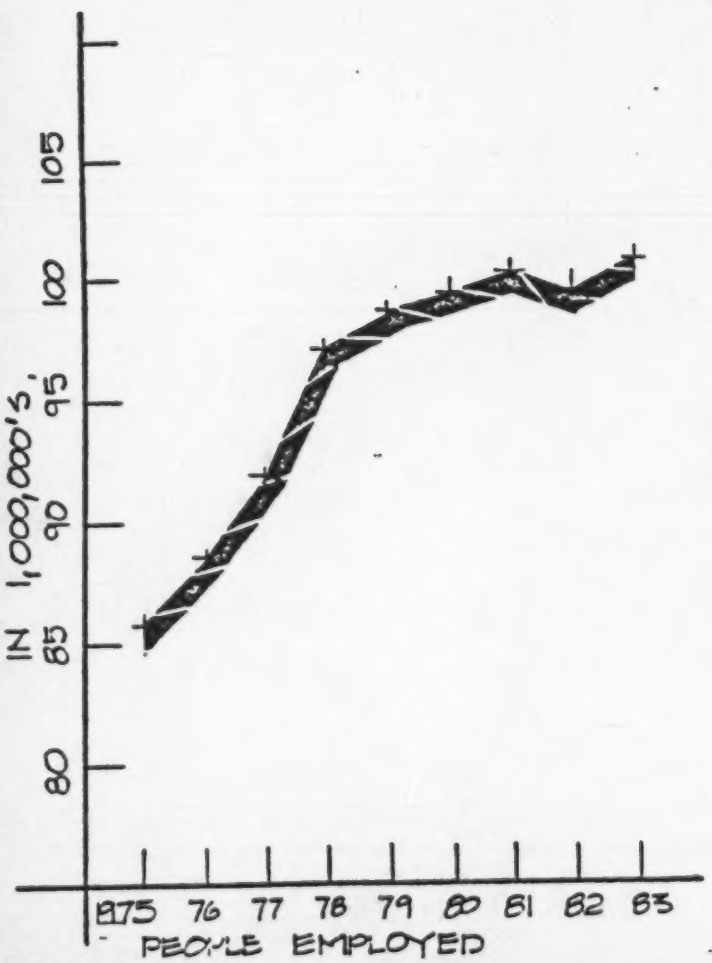
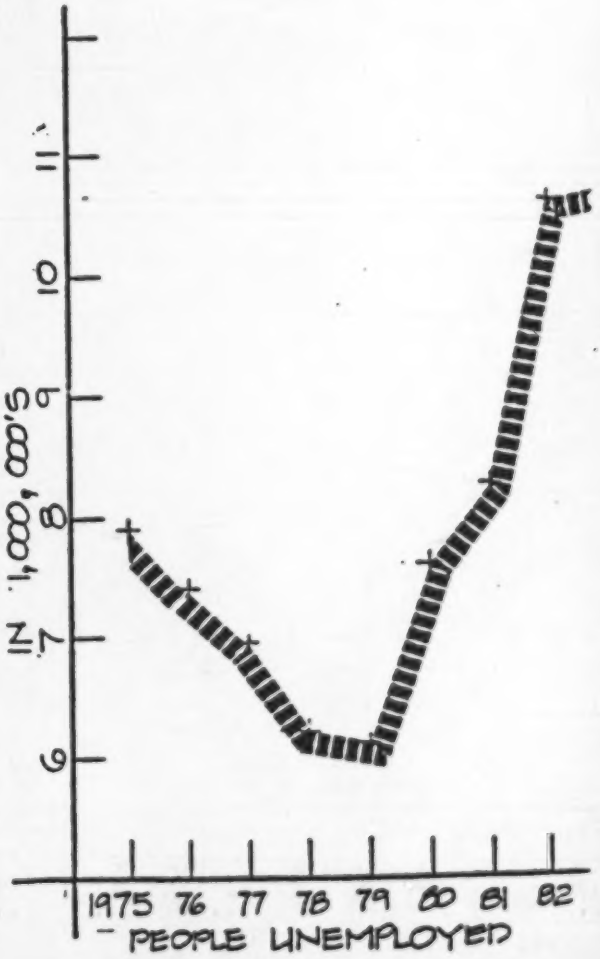


FIGURE NUMBER -

UNITED STATES
NATIONAL STATISTICS FOR
UNEMPLOYMENT,
EMPLOYMENT, AND
UNEMPLOYMENT RATE

SOURCES - EMPLOYMENT AND EARNINGS, JULY 1983
TABLE A-1





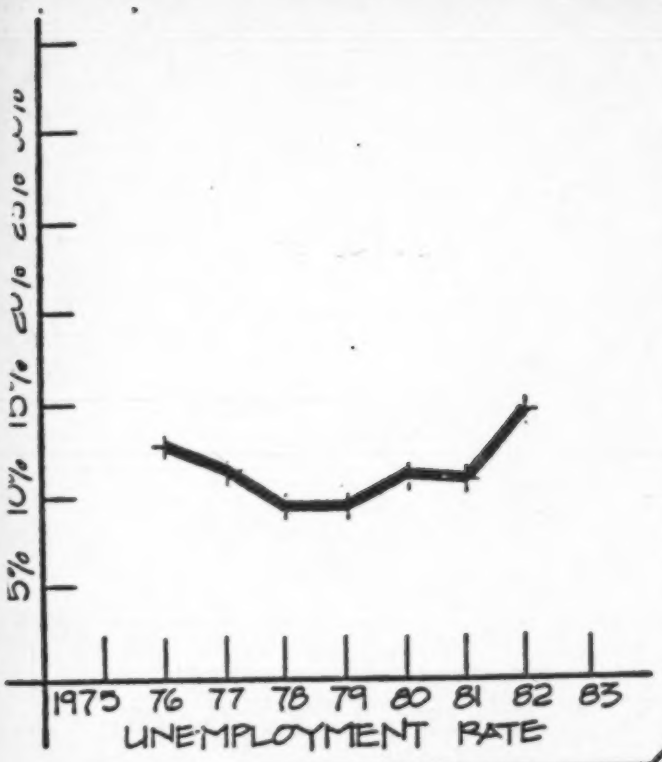


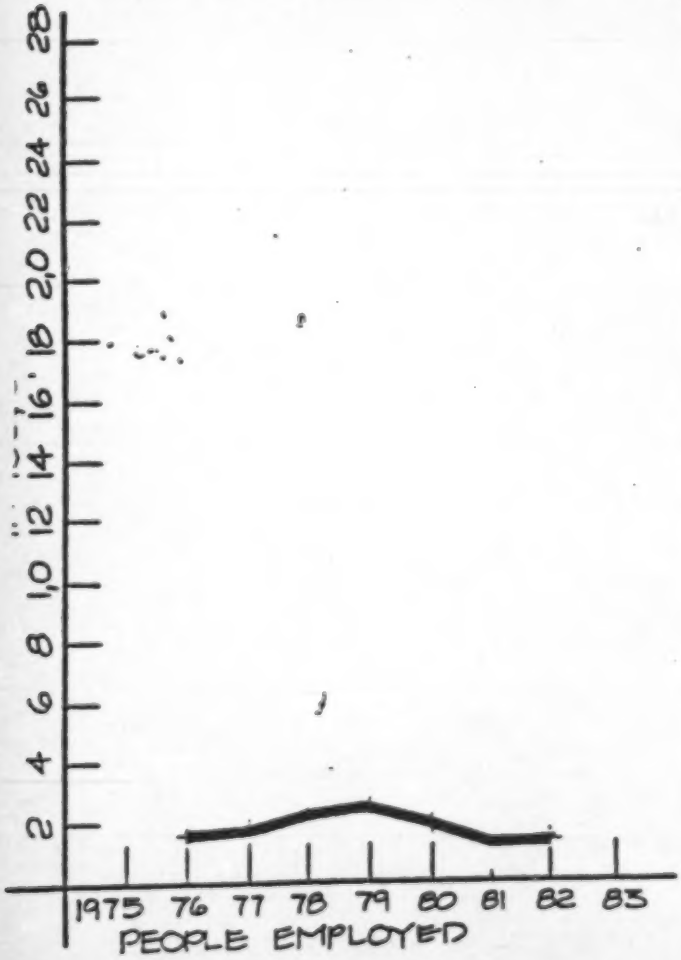
FIGURE NUMBER=

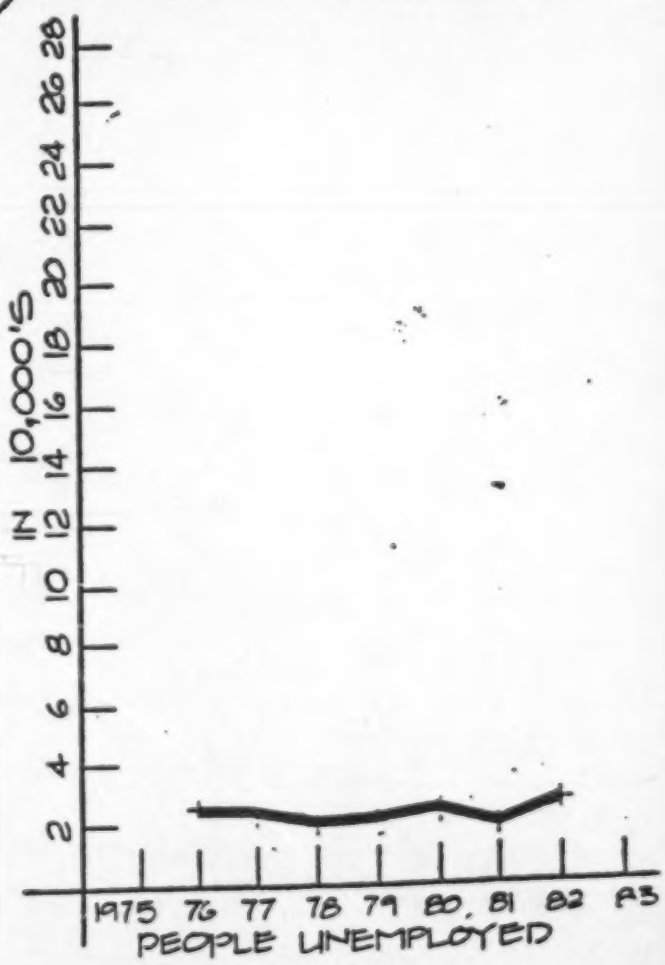
CITY= ST. LOUIS

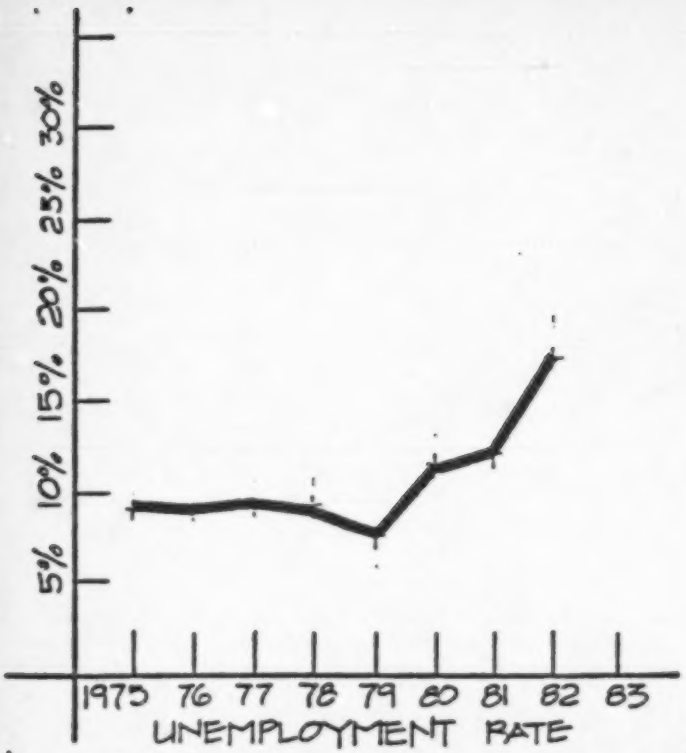
UNEMPLOYMENT, EMPLOYMENT, AND UNEMPLOYMENT RATE SELECTED CENTRAL CITIES 1975 - 1982

SOURCES= BUREAU OF LABOR STATISTICS, U.S. DEPT. OF LABOR, GEOGRAPHIC PROFILE OF EMPLOYMENT & UNEMPLOYMENT, REPORTS 481, 504, 571, & 619; & BULLETINS 2111, 2156, & 2170.

NOTE= ALL DATA BASED ON HOUSEHOLD SURVEY NOT ON EMPLOYER (PAYROLL) SURVEYS.







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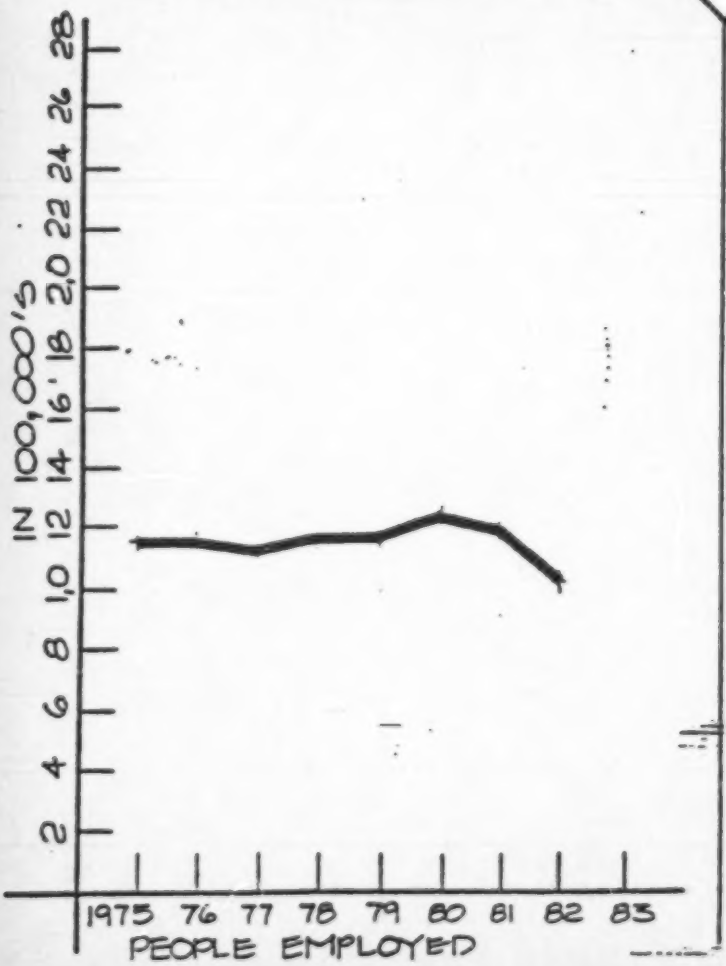
CITY = CHICAGO

UNEMPLOYMENT, EMPLOYMENT, AND UNEMPLOYMENT RATE SELECTED CENTRAL CITIES 1975 - 1982

SOURCES = BUREAU OF LABOR STATISTICS, U.S. DEPT. OF LABOR, GEOGRAPHIC PROFILE OF EMPLOYMENT & UNEMPLOYMENT REPORTS 481, 504, 571, & 619; & BULLETINS 2111, 2156, & 2170.

NOTE = ALL DATA BASED ON HOUSEHOLD SURVEY NOT ON EMPLOYER (PAYROLL) SURVEYS.



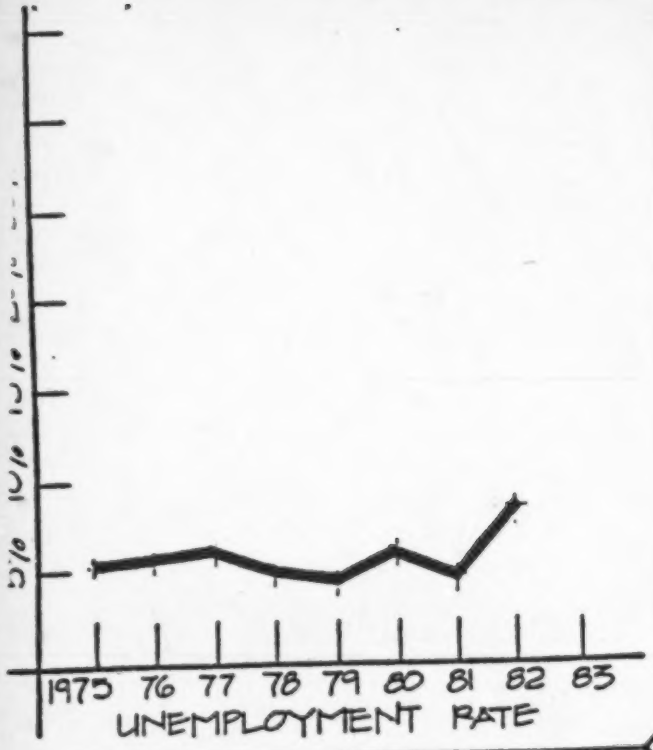


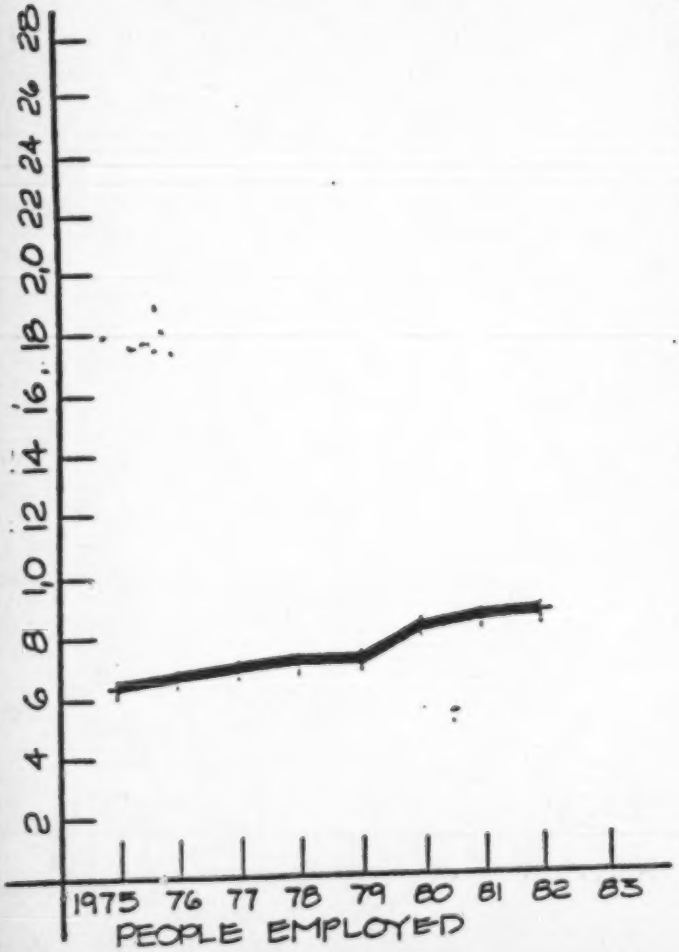
FIGURE NUMBER =

CITY = HOUSTON

UNEMPLOYMENT, EMPLOYMENT, AND UNEMPLOYMENT RATE SELECTED CENTRAL CITIES 1975 - 1982

SOURCES = BUREAU OF LABOR STATISTICS, U.S. DEPT. OF LABOR, GEOGRAPHIC PROFILE OF EMPLOYMENT & UNEMPLOYMENT, REPORTS 481, 504, 571, & 619; & BULLETINS 2111, 2156, & 2170.

NOTE = ALL DATA BASED ON HOUSEHOLD SURVEY, NOT ON EMPLOYER (PAYROLL) SURVEYS.



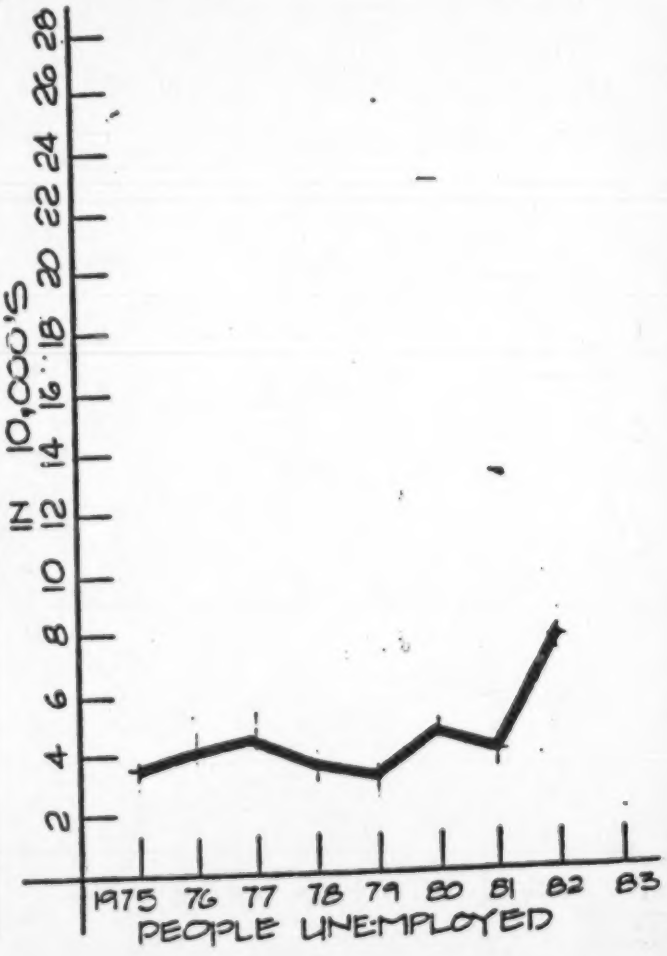
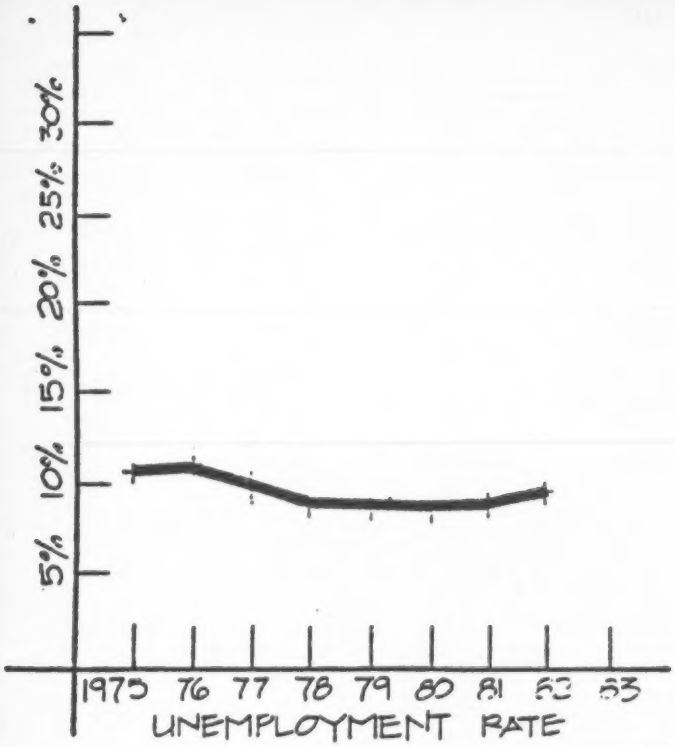
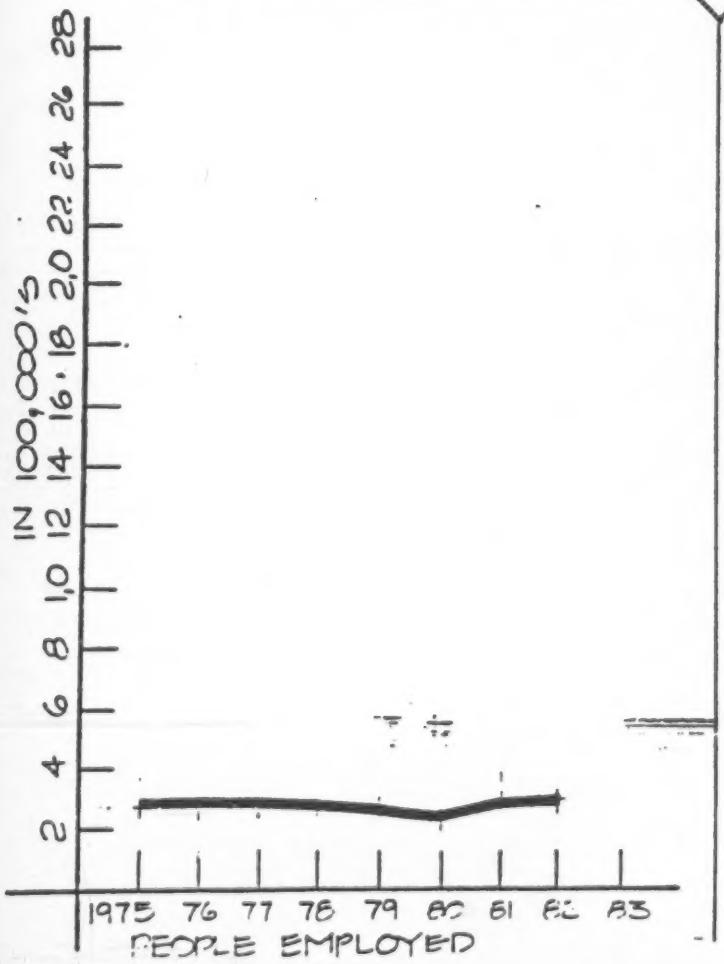


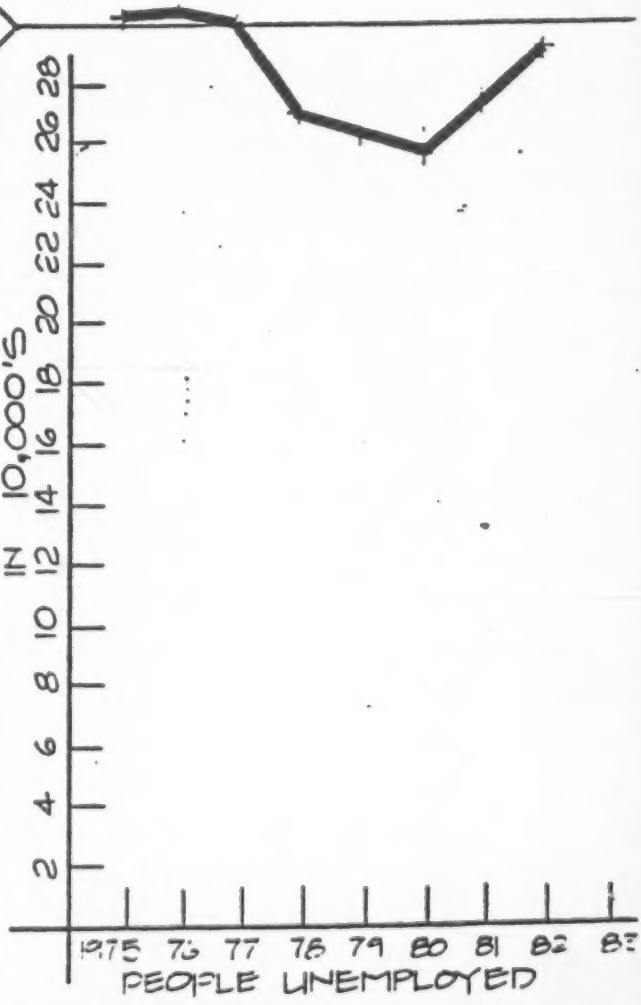
FIGURE NUMBER •

CITY • NEW YORK

UNEMPLOYMENT, EMPLOYMENT, AND UNEMPLOYMENT RATE SELECTED CENTRAL CITIES 1975 - 1982







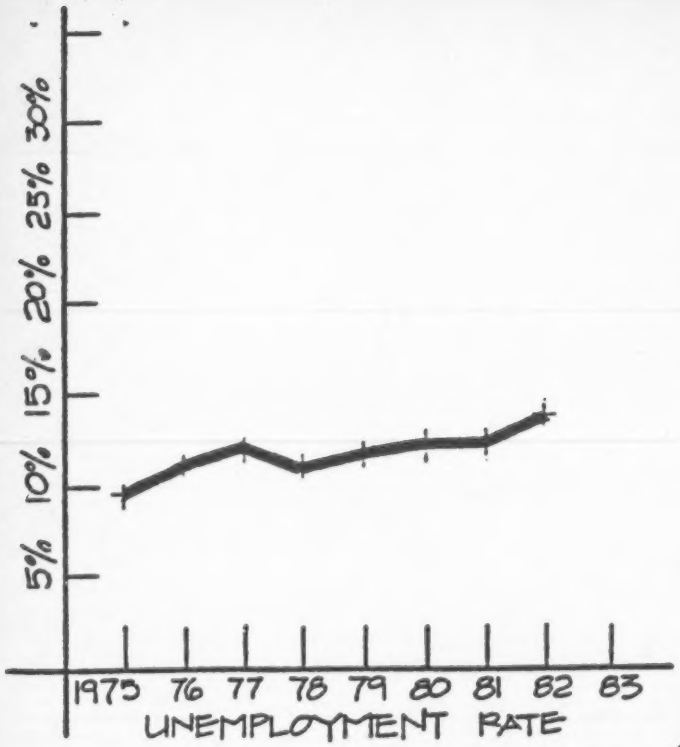


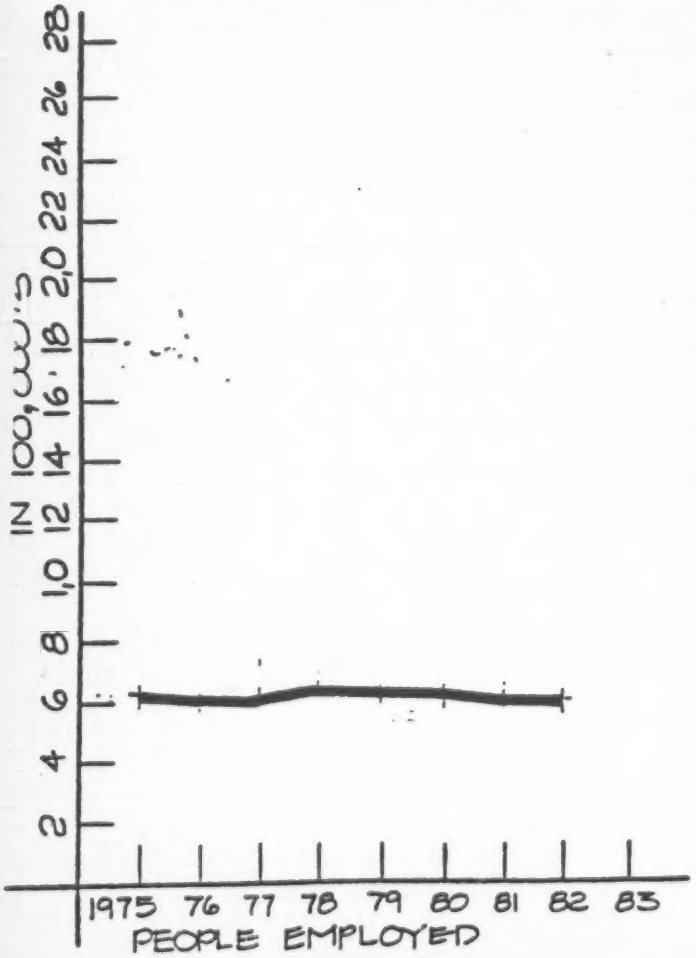
FIGURE NUMBER:

CITY: PHILADELPHIA

UNEMPLOYMENT, EMPLOYMENT, AND UNEMPLOYMENT RATE SELECTED CENTRAL CITIES 1975 - 1982

SOURCES: BUREAU OF LABOR STATISTICS, U.S. DEPT. OF LABOR, GEOGRAPHIC PROFILE OF EMPLOYMENT & UNEMPLOYMENT, REPORTS 481, 504, 571, & 619; & BULLETINS 2111, 2156, & 2170.

NOTE: ALL DATA BASED ON HOUSEHOLD SURVEY NOT ON EMPLOYER (PAYROLL) SURVEYS.



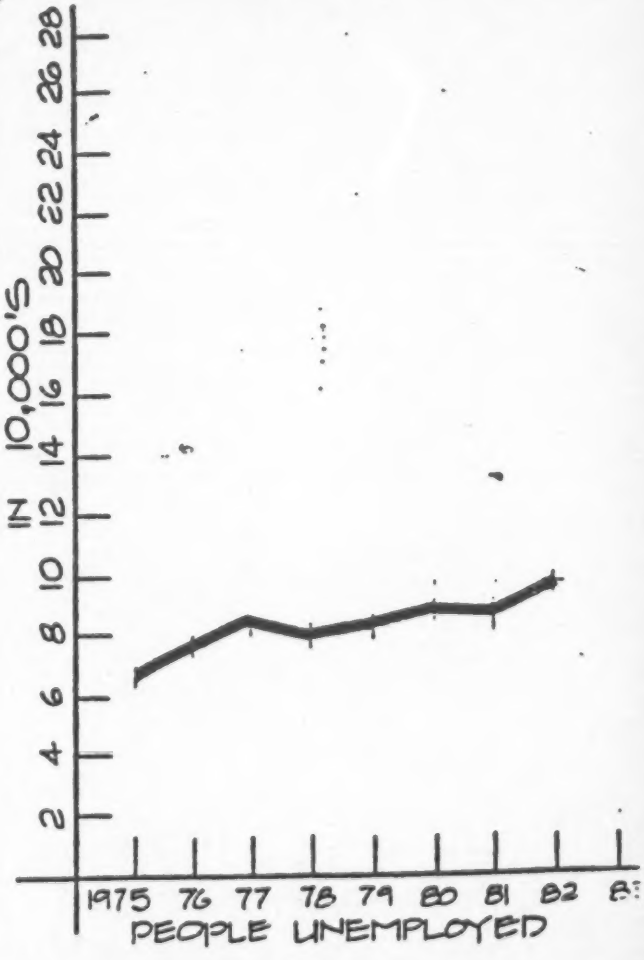
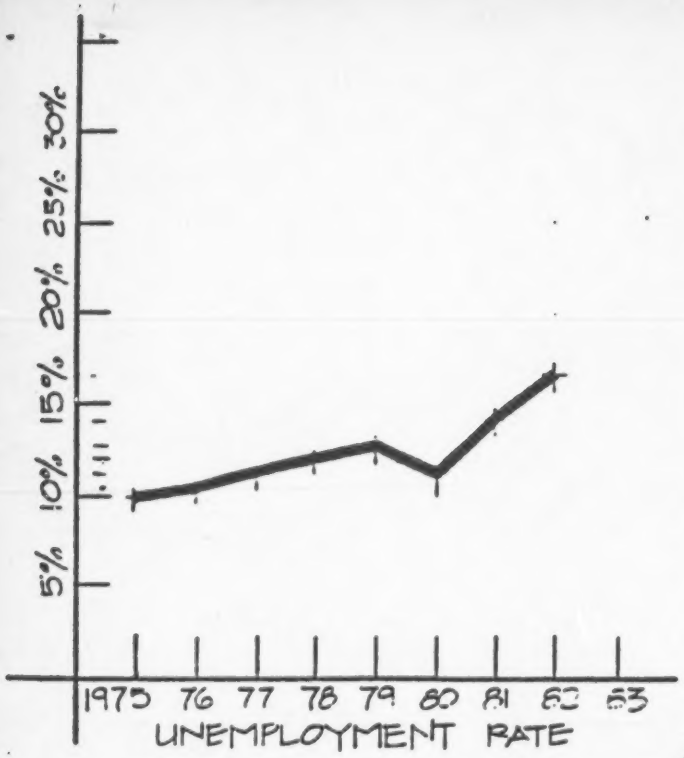
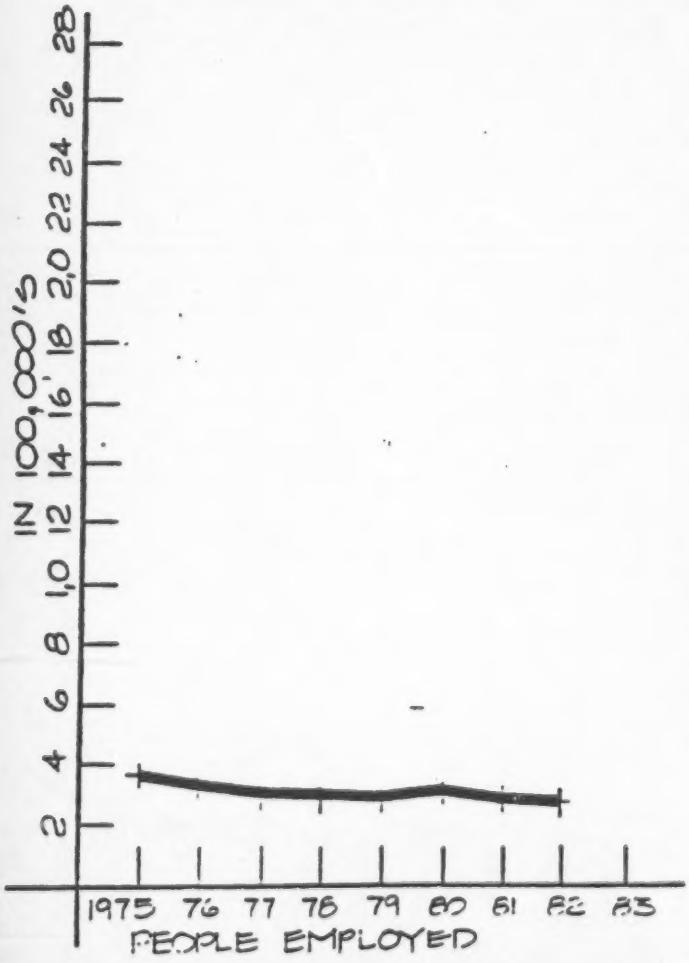


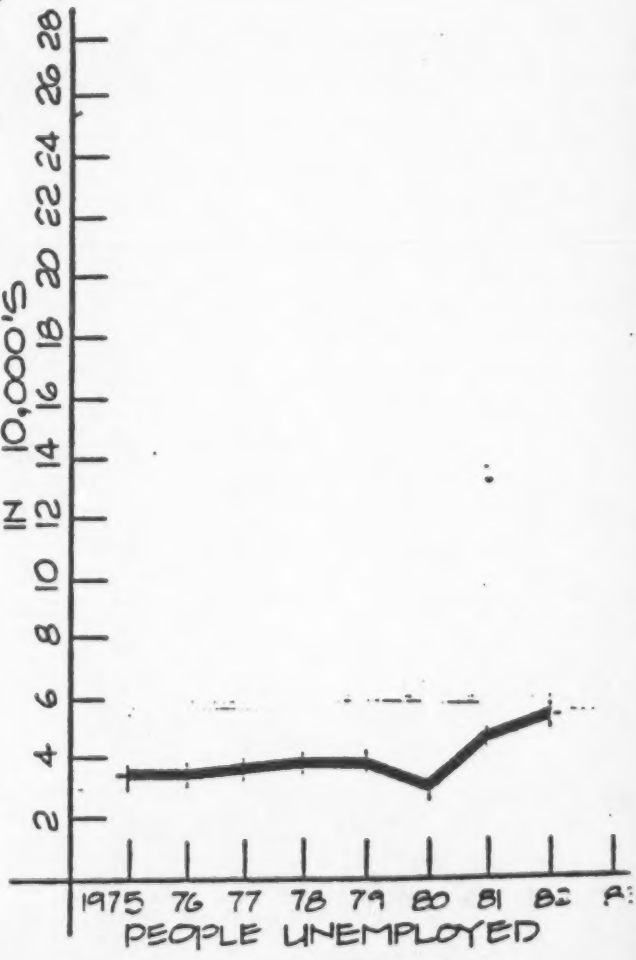
FIGURE NUMBER =

CITY = BALTIMORE

UNEMPLOYMENT, EMPLOYMENT, AND UNEMPLOYMENT RATE SELECTED CENTRAL CITIES 1975 - 1982







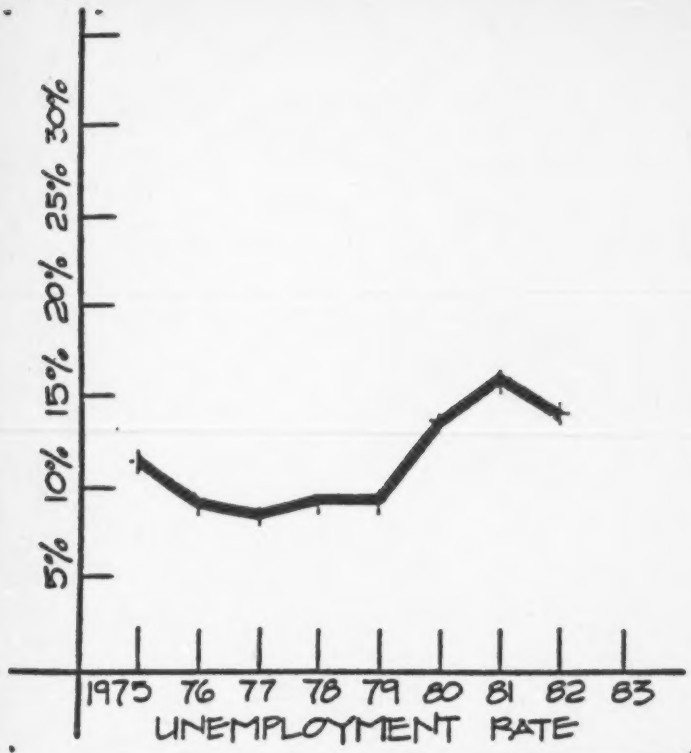


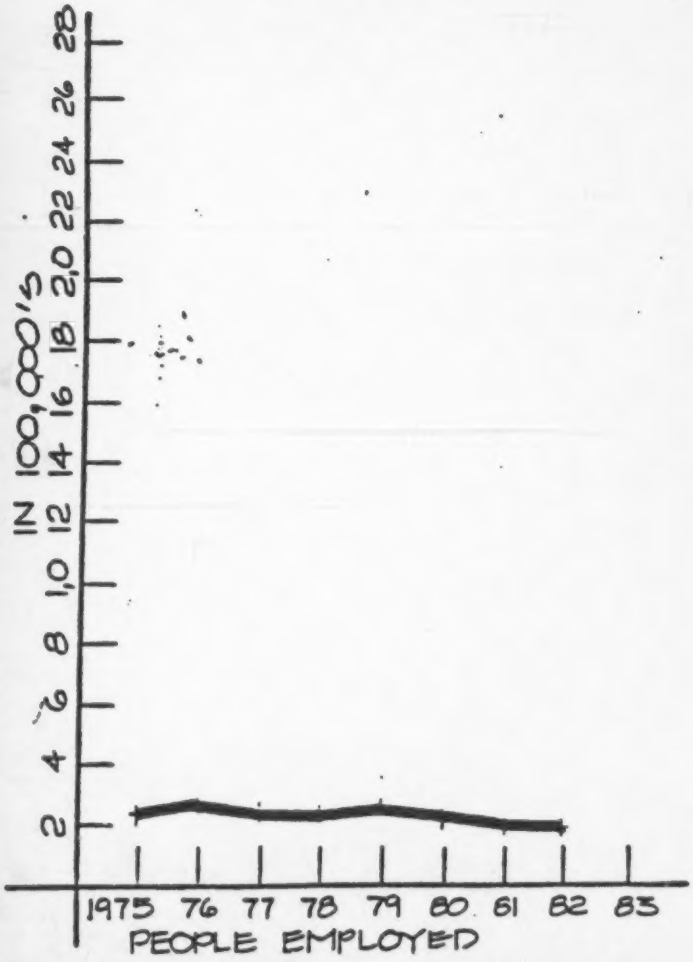
FIGURE NUMBER =

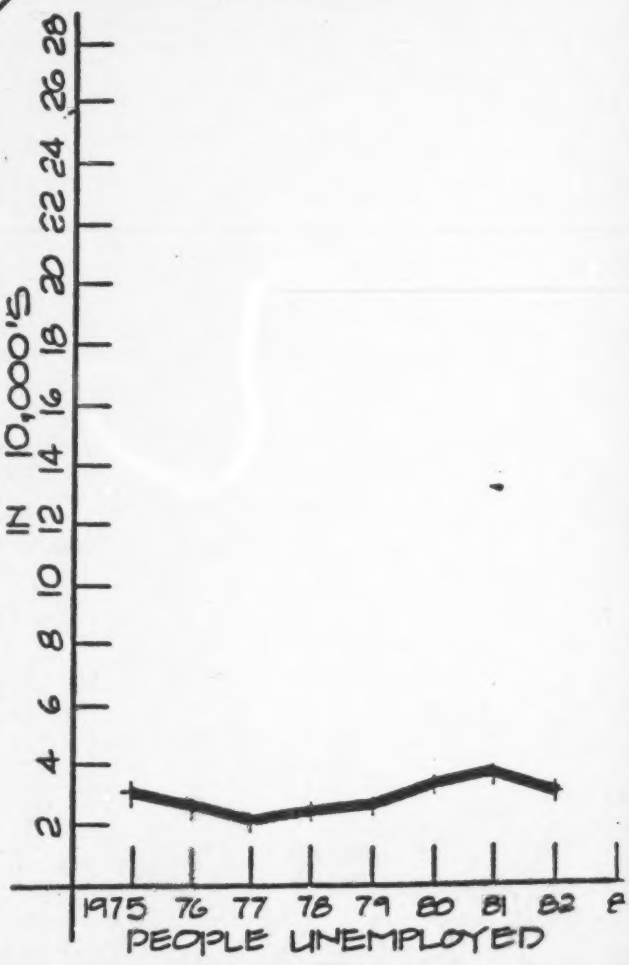
CITY = CLEVELAND

UNEMPLOYMENT, EMPLOYMENT, AND UNEMPLOYMENT RATE SELECTED CENTRAL CITIES 1975 - 1982

SOURCES = BUREAU OF LABOR STATISTICS, U.S. DEPT. OF LABOR, GEOGRAPHIC PROFILE OF EMPLOYMENT & UNEMPLOYMENT REPORTS 481, 504, 571, & 619; BULLETINS 2111, 2156, & 2170.

NOTE = ALL DATA BASED ON HOUSEHOLD SURVEY NOT ON EMPLOYER (PAYROLL) SURVEYS.





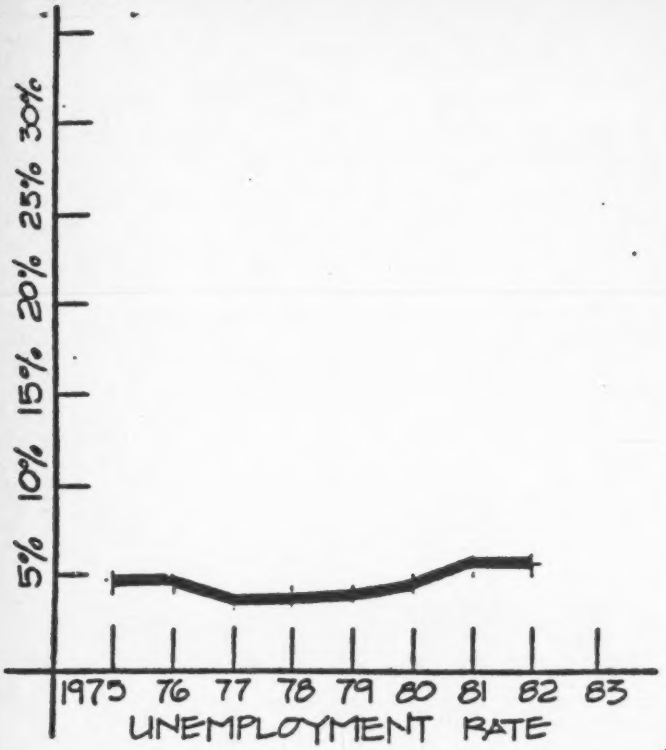


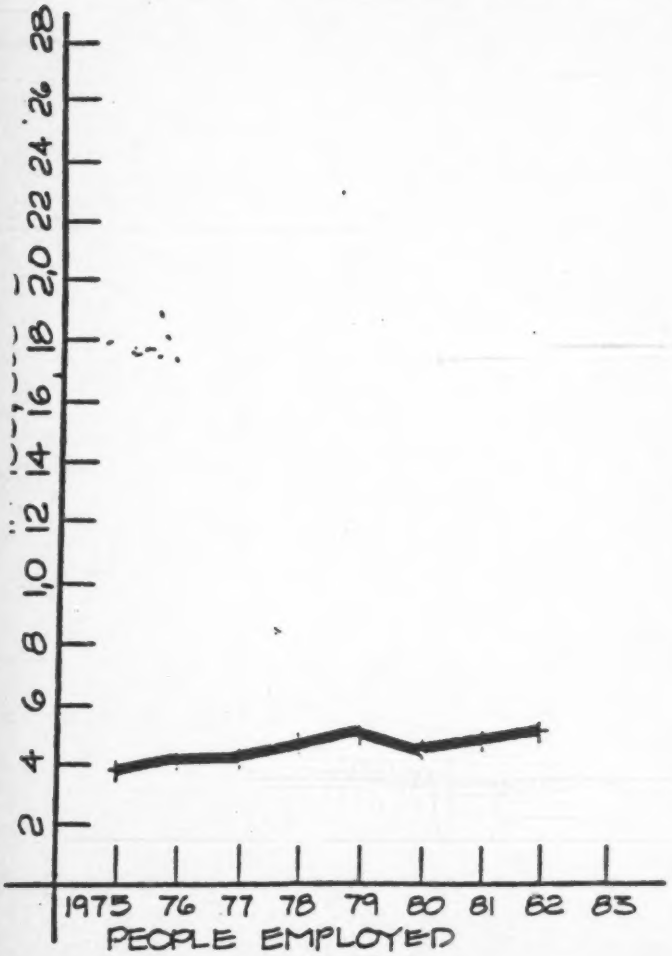
FIGURE NUMBER =

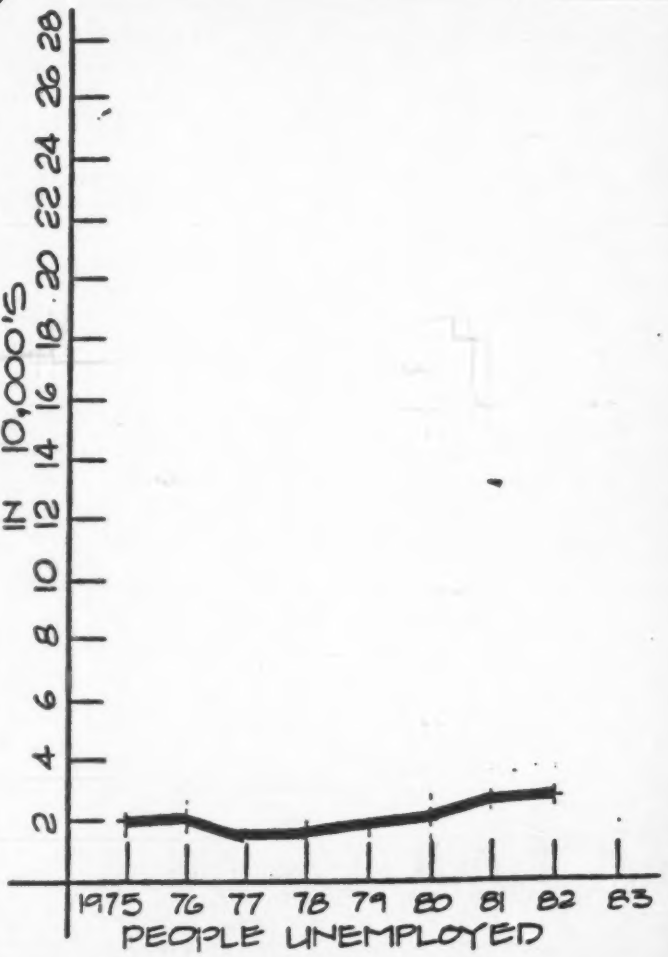
CITY = DALLAS

UNEMPLOYMENT, EMPLOYMENT, AND UNEMPLOYMENT RATE SELECTED CENTRAL CITIES 1975 - 1982.

SOURCES = BUREAU OF LABOR STATISTICS, U.S. DEPT. OF LABOR, GEOGRAPHIC PROFILE OF EMPLOYMENT & UNEMPLOYMENT, REPORTS 481, 504, 571, & 619; & BULLETINS 2111, 2156, & 2170.

NOTE = ALL DATA BASED ON HOUSEHOLD SURVEY NOT ON EMPLOYER (PAYROLL) SURVEYS.





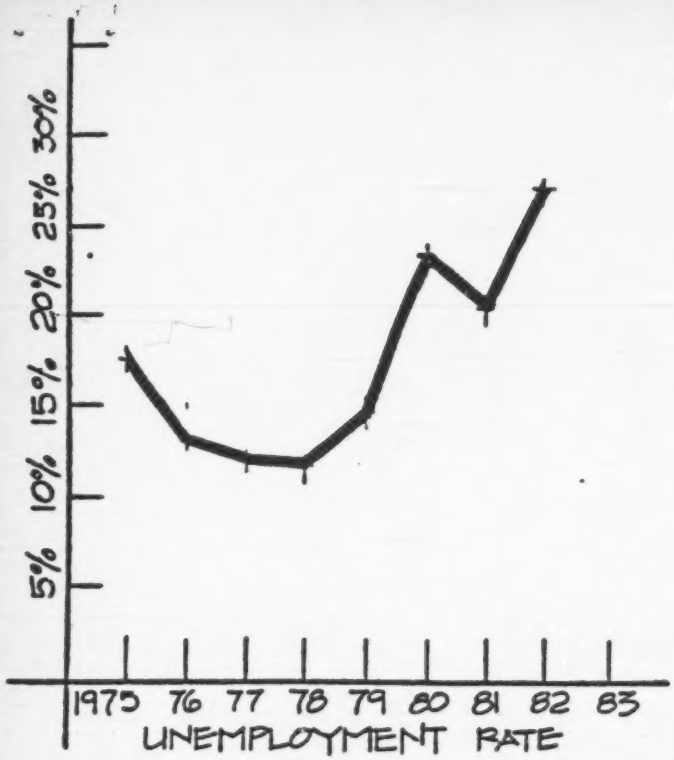


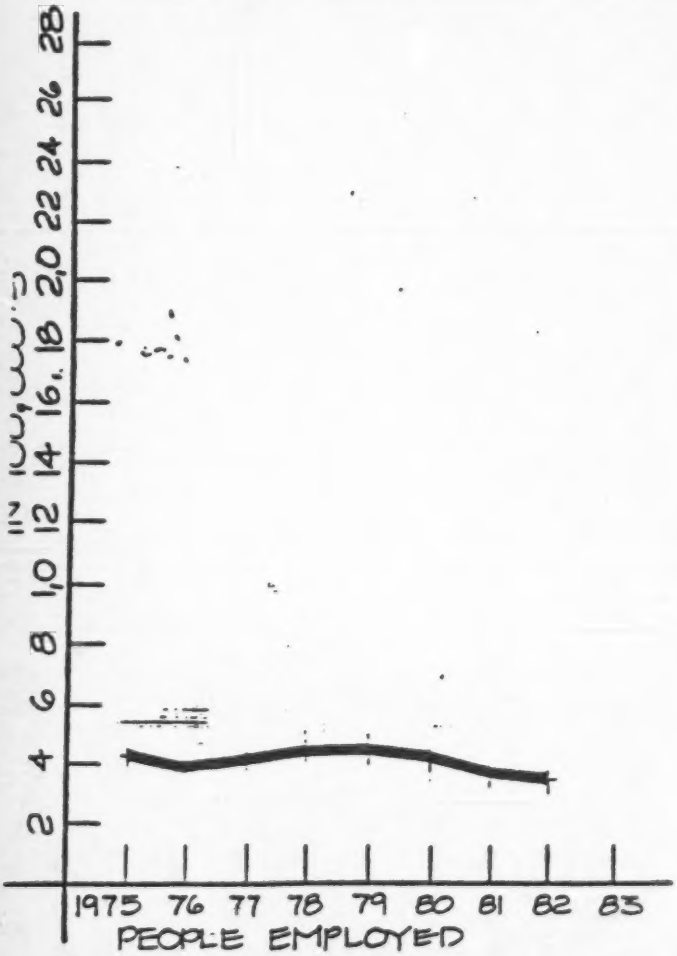
FIGURE NUMBER =

CITY = DETROIT

UNEMPLOYMENT, EMPLOYMENT, AND UNEMPLOYMENT RATE SELECTED CENTRAL CITIES 1975 - 1982

SOURCES = BUREAU OF LABOR STATISTICS, U.S. DEPT. OF LABOR, GEOGRAPHIC PROFILE OF EMPLOYMENT & UNEMPLOYMENT. REPORTS 481, 504, 571, & 619; & BULLETINS 2111, 2156, & 2170.

NOTE = ALL DATA BASED ON HOUSEHOLD SURVEY NOT ON EMPLOYER (PAYROLL) SURVEYS.



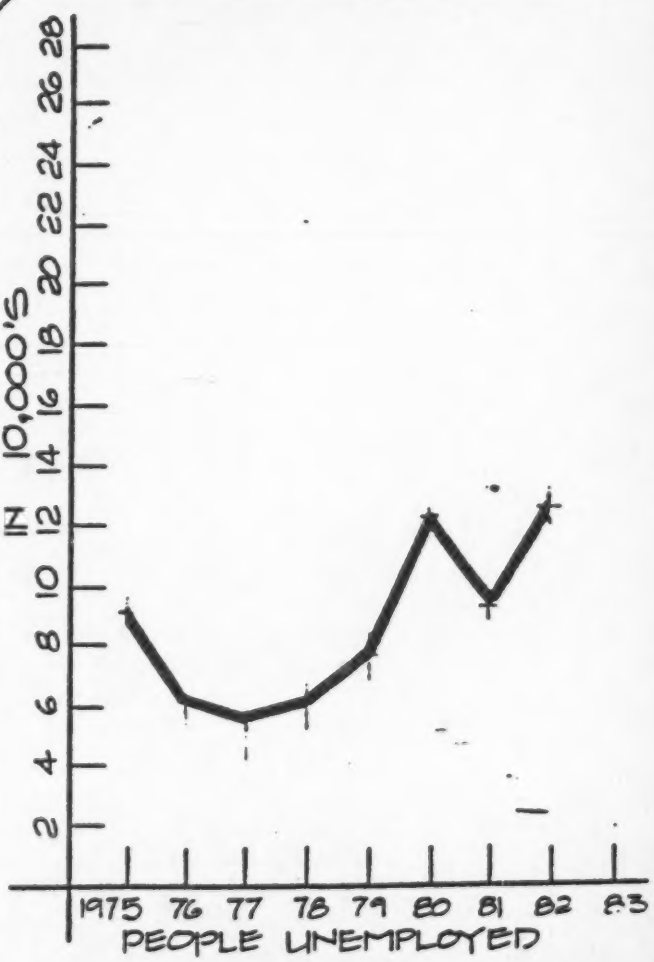


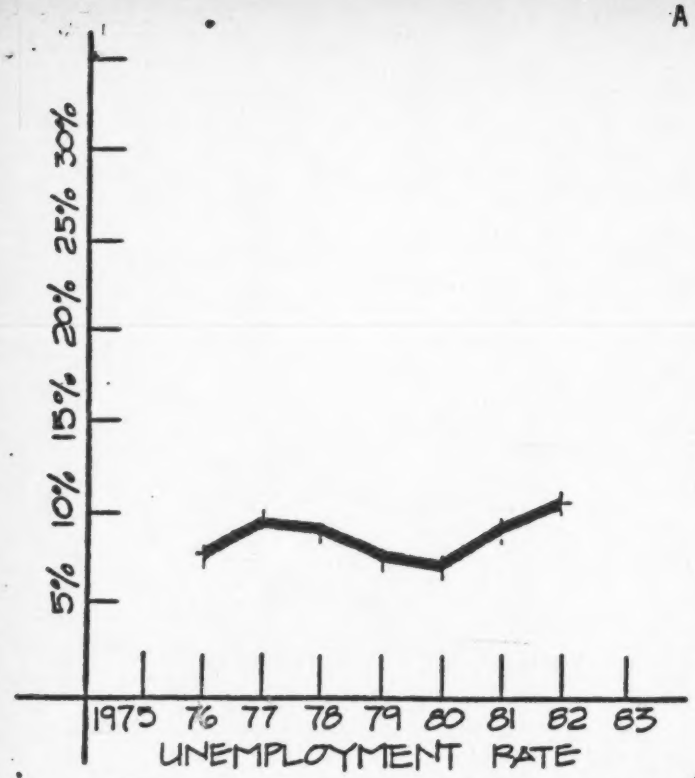
FIGURE NUMBER =

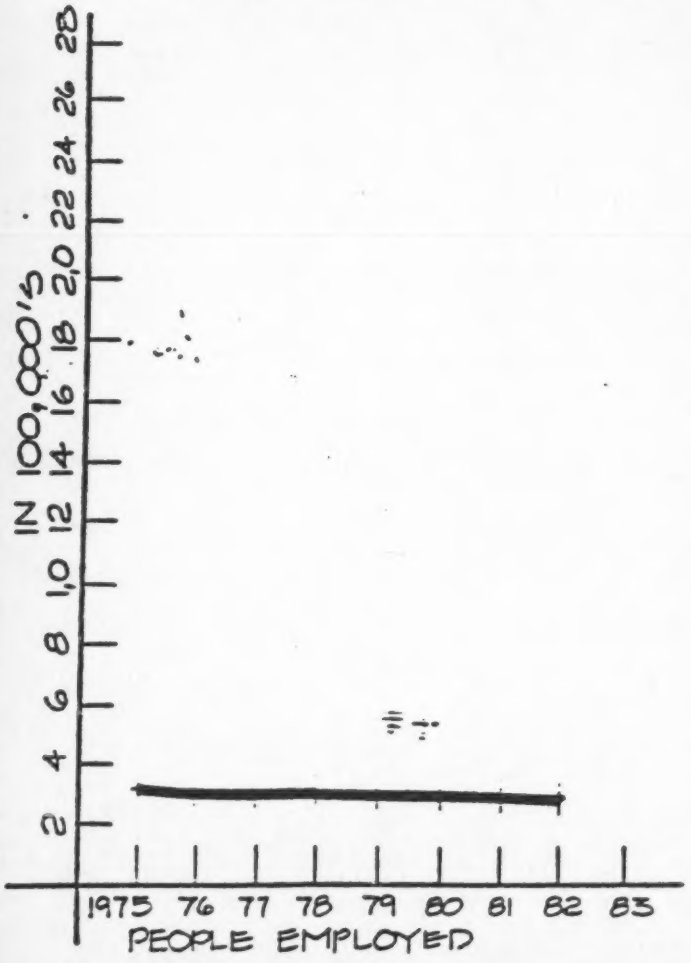
CITY = WASHINGTON, D.C.

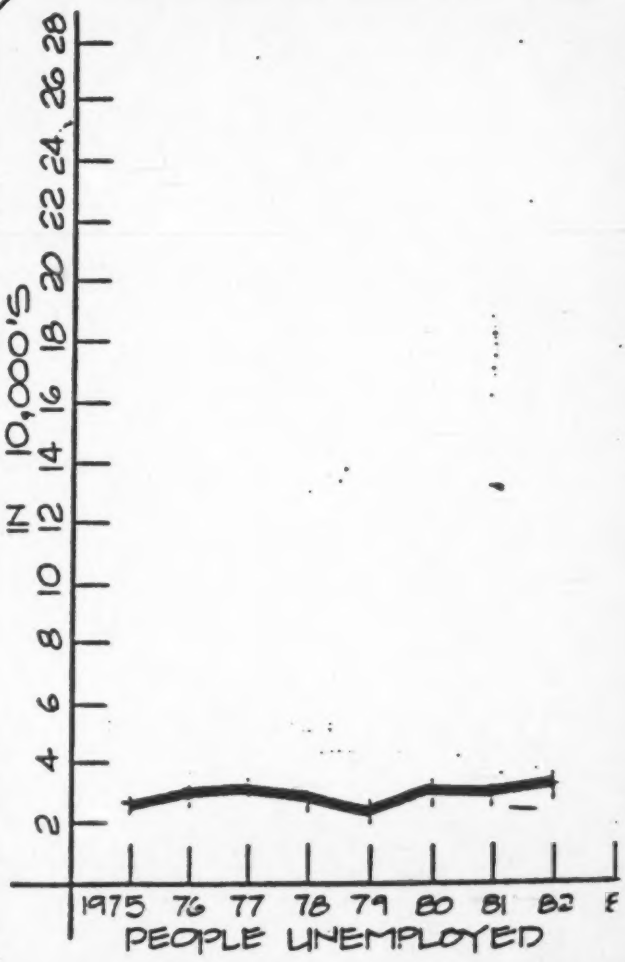
UNEMPLOYMENT, EMPLOYMENT, AND UNEMPLOYMENT RATE SELECTED CENTRAL CITIES 1975 - 1982

SOURCES = BUREAU OF LABOR STATISTICS, U.S. DEPT. OF LABOR, GEOGRAPHIC PROFILE OF EMPLOYMENT & UNEMPLOYMENT REPORTS 481, 504, 571, & 619; & BULLETINS 2111, 2156, & 2170.

NOTE = ALL DATA BASED ON HOUSEHOLD SURVEY NOT ON EMPLOYER (PAYROLL) SURVEYS.







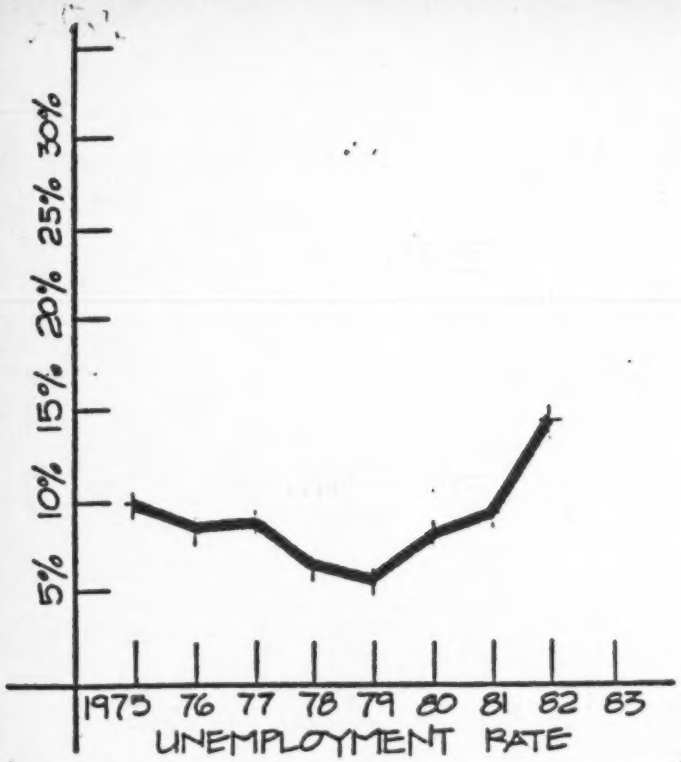


FIGURE NUMBER =

CITY = MILWAUKEE

UNEMPLOYMENT, EMPLOYMENT, AND UNEMPLOYMENT RATE SELECTED CENTRAL CITIES 1975 - 1982

SOURCES = BUREAU OF LABOR STATISTICS, U.S. DEPT. OF LABOR, GEOGRAPHIC PROFILE OF EMPLOYMENT & UNEMPLOYMENT, REPORTS 481, 504, 571, & 619; & BULLETINS 2111, 2156, & 2170.

NOTE = ALL DATA BASED ON HOUSEHOLD SURVEY NOT ON EMPLOYER (PAYROLL) SURVEYS.